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ABSTRACT

This booklet presents an overview of the development of U.S. foreign aid and arguments on the several sides of the issue to enable citizens to think constructively about foreign policy issues and more effectively participate in citizenship debate. The purpose of the booklet is to provide background information for a debate forum on the issue. The booklet contains: (1) "The Evolution of U.S. Foreign Aid"; (2) "U.S. Policy Challenges Today"; (3) "Options"; and (4) "Focusing Your Thoughts." The options are presented as: (1) "Share the American Dream"; (2) "Join Hands for a Better World"; and (3) "Put America First." The supplementary documents the text of the speech of President John F. Kennedy's message to Congress on foreign aid on March 22, 1961. (EH)

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CHOICES FOR THE 21ST CENTURY

Help, Handout, Or Hindrance: U.S. Support For The Developing World

ALTERNATIVES FOR PUBLIC DEBATE
AND POLICY DEVELOPMENT

A program of the Thomas J. Watson Jr.
Institute for International Studies

Brown University, Box 1948, Providence, RI 02912

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CHOICES

for the 21st Century Education Project

June 1995

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The Choices for the 21st Century Education Project develops curricula for high schools and colleges on current foreign policy issues and offers workshops, institutes, and in-service programs for high school teachers. Course materials place special emphasis on the importance of educating students in their participatory role as citizens.

The Choices for the 21st Century Education Project is a program of the **Thomas J. Watson Jr. Institute for International Studies** at Brown University.

Thomas J. Biersteker
Director

Contents

Part I: The Evolution of U.S. Foreign Aid	**1**
Part II: U.S. Policy Challenges Today	**10**
Options in Brief	**24**
Options	**25-30**
Option 1: Share the American Dream	**25**
Option 2: Join Hands for a Better World	**27**
Option 3: Put America First	**29**
Focusing Your Thoughts	**31**
Supplementary Document	**32**

The Choices for the 21st Century Education Project is a program of the Thomas J. Watson Jr. Institute for International Studies at Brown University. Choices was established to help citizens think constructively about foreign policy issues, to improve participatory citizenship skills, and to encourage public judgment on policy priorities.

The Thomas J. Watson Jr. Institute for International Studies was established at Brown University in 1986 to serve as a forum for students, faculty, visiting scholars, and policy practitioners, who are committed to studying global problems and developing international initiatives to benefit society.

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Part I: The Evolution of U.S. Foreign Aid

In the last weeks of 1992, American news was dominated by images from the East African country of Somalia. The international media showed starving Somalis lining up for food under the watchful eyes of relief workers and U.S. marines. Sacks of American-grown wheat were unloaded in Somalia's capital of Mogadishu, while emergency medical centers were set up in a refugee camp at Baidoa. Americans watched on their television screens as rail-thin children with barely the strength to crawl were given new life with the help of U.S. assistance. Within a matter of days, thousands of the youngest victims of the Somali famine were again smiling and playing.

Rescuing children from starvation is an aspect of U.S. foreign policy that makes Americans proud. But it is only a small part of our country's involvement in the poor countries of the developing world. Much of what we think of as foreign aid today consists not of goods, but of knowledge. Rather than a meal to a hungry child, U.S. assistance is more likely to come in the form of an American business executive offering advice on advertising, or of a training session for local scientists seeking to reduce pollution. Moreover, the growth of U.S. trade and investment has overshadowed the importance of conventional foreign aid for many developing countries.

The recipients of our country's assistance have changed as well. The globe is still home to many Somalias — nations plagued by hunger, backwardness, and desperate poverty. In the past decade, however, much of the developing world has moved closer to the free-market economic principles and democratic political ideals long championed by the United States. Several advanced developing countries, such as Mexico, Malaysia, and Thailand, have emerged as key trading partners for the United States. In addition, Taiwan, South Korea, Hong Kong, and Singapore have left behind the developing world altogether and now rank among the prosperous nations.

American perceptions and policies, however, have lagged behind changes in the developing world. Public opinion surveys show that the average American estimates that foreign aid amounts to about 15 percent of our country's federal budget. In reality, the United States will spend $13.7 billion on international assistance in 1995 — less than 1 percent of the U.S. budget.

Most Americans also assume that our country is among the most generous in the world. Again, the facts are different. U.S. spending on economic and humanitarian assistance represented 0.15 percent of America's total economic output in 1993 — a lower percentage than any of the other top twenty-one industrialized countries. By comparison, France devoted 0.63 percent of its gross domestic product (GDP) to aid, while Canada spent 0.45 percent. In recent years, the foreign aid budget of Japan has exceeded that of the United States. U.S. government spending on aid contrasts sharply with the individual generosity of Americans. Every year, for example, private organizations dedicated to helping improve life overseas collect roughly $12 billion in the United States.

In this unit, you will have an opportunity to take a fresh look at our country's role in the developing world and, in particular, at the direction of U.S. foreign aid and trade policy. Before you move forward, however, you will first need to step back to understand the background of the topic.

Rethinking international relations

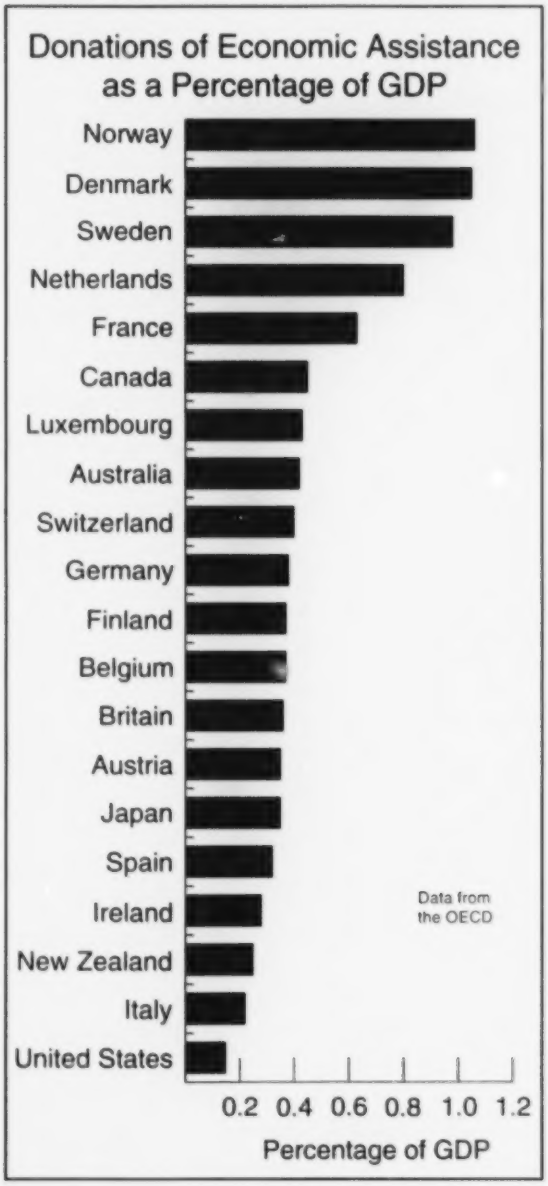
From the late 1940s until the late 1980s, most Americans saw the world as divided into two camps. On one side were the United States and its allies. On the other side were the Soviet Union and the other states of the communist bloc. The so-called "Third World" consisted of the poor nations of Asia, Africa, and Latin America that were not closely aligned with one of the superpowers.

U.S. foreign aid was viewed mainly as a tool for containing the spread communism. The United States provided assistance, including billions of dollars of weapons and military training, to win over Third World leaders in our country's Cold War struggle against the Soviet Union.

Since the collapse of the Soviet Union in 1991, however, the old divisions of international relations

have broken down. Rather than a contest between West and East, the world is increasingly defined by the gap between the rich and the poor.

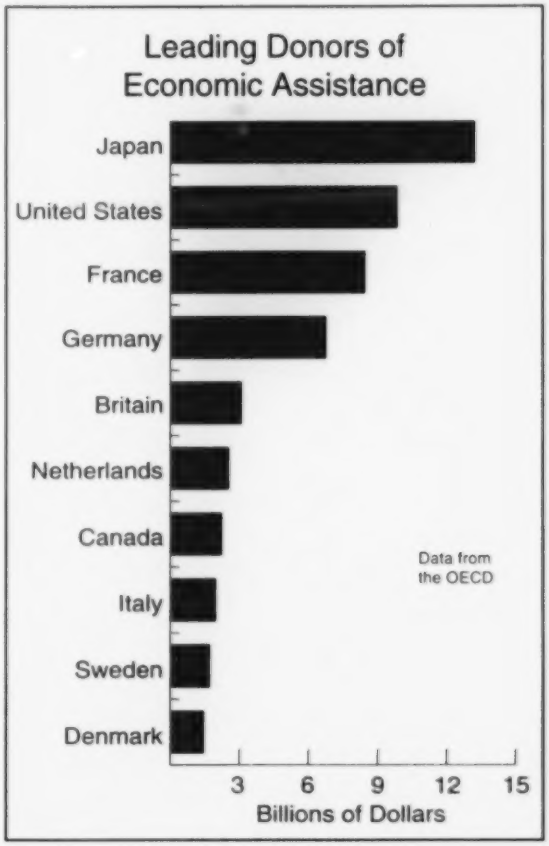
The wealthy, developed world is a relatively small club of nations. Among its leading members are the United States, Japan, the countries of Western Europe, Canada, and Australia. Although the developed countries are home to only about 1 billion of the world's 5.7 billion people, together they account for 56 percent of the world's economic output.



The challenges posed by the developing world have replaced the conflict with the Soviet Union at the top of our foreign policy agenda. Indeed, most of the fifteen countries that made up the Soviet Union are themselves now included in the developing world.

Identifying key issues

The concept "developing world" is itself a source of confusion for Americans. The nations of Asia, Africa, and Latin America are much too diverse to be lumped in a single category. As a result, our picture of the developing world is clouded by contradictory images. Some see the developing world as a bottomless pit of problems. They fear that spiraling population growth, environmental destruction, refugee crises, epidemics, and wars will overwhelm the entire planet. Others view the developing world in terms of economic competition and opportunity. Their perspective is grounded on the fact that the world's fastest growing economies are in



the developing world, particularly in East Asia.

Almost all Americans agree that the world would be a better place if more developing countries experienced the success of Taiwan and avoided the failure of Somalia. There is much less agreement, however, on how, or even if, U.S. policy can contribute to improving life in the developing world.

Advocates of foreign aid argue that well-targeted assistance programs can be used to prod developing countries along the path to free-market economic reform and democracy. Many economists maintain that trade policy, not economic assistance, is the best tool for reducing poverty in the developing world. They recommend that wealthy nations lower their trade barriers to exports from the developing world. Meanwhile, any discussion of U.S. foreign aid or trade policy must take into account mounting pressures to reduce government spending and to hold onto jobs here at home.

The background reading in this unit has been designed to help you reach your own conclusions about U.S. policy toward the developing world. Part I presents an overview of the goals, assumptions, and programs that set the tone of U.S. policy toward the developing world during the Cold War. Part II examines U.S. assistance efforts in Central Europe, Africa, Latin America, and India in light of the current policy debate.

The Marshall Plan

The greatest success of U.S. foreign aid came in the years after World War II. At the time, the United States was the world's unrivaled superpower. Our country generated about half the world's income (compared to slightly over one-fifth today) and recorded substantial trade surpluses (in contrast to our trade deficit of $108 billion in 1995).

International events, however, gave Americans little time to recover from the trials of World War II. In Western Europe, America's leading trading partners had been devastated and bankrupted by the war. Hunger and unemployment were widespread. President Harry Truman and his advisors feared that Europeans would be unable to buy American goods, and that the international trading system would collapse as a result. Fresh in their minds was the Great Depression of the 1930s. U.S. policymakers believed that a decline in trade had deepened the economic downturn. They were determined to prevent a repeat of history.

Meanwhile, political considerations were gaining increasing importance. The United States and the Soviet Union had worked together to defeat Nazi Germany during the war, but their alliance began to crumble soon after Germany's surrender. Despite losing 27 million people in World War II, the Soviets emerged from the fighting stronger than ever. Their army occupied much of Eastern Europe, and support for communism was high among voters in Italy and France. U.S. leaders were concerned that poverty and despair would give communism a foothold in Western Europe.

In response, the United States in 1948 launched the European Recovery Program. Better known as the Marshall Plan (after U.S. Secretary of State George C. Marshall), the aid program was designed to rebuild the economies of Western Europe. From 1948 to 1952, the United States provided $12.5 billion (equivalent to about $75 billion in 1995 dollars) in aid to sixteen participating nations. Nearly 6 percent of the U.S. budget at the time was devoted to the Marshall Plan.

The Marshall Plan functioned as a partnership. At the outset of the program, each European country submitted a four-year plan for reviving its economy. Americans administering the Marshall Plan acted almost as bankers. They invested in projects that were most likely to increase industrial and agricultural production. As U.S. leaders had intended, much of the money was spent on American goods.

By 1952, most of Western Europe was on the path to economic recovery. Industrial production rose to more than 35 percent above prewar levels and inflation was brought under control. Politically, the nations participating in the Marshall Plan joined the United States in an alliance to contain the spread of Soviet communism.

The success of the Marshall Plan was due in large part to the Western Europeans themselves. Even as they were clearing away the rubble of World War

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Halladay in *The Providence Journal*, January 11, 1948

II, the people of Western Europe had a banking system, stock markets, an insurance industry, and other financial institutions essential to a free-market economy. They had also been world leaders in science and technology. The main ingredient missing for economic recovery was the investment supplied by the Marshall Plan.

Global Reach

By the time the Marshall Plan concluded, the Soviet threat had overshadowed the economic concerns of U.S. policymakers. With the outbreak of the Korean War in 1950, U.S. efforts to contain the Soviet Union broadened into a global mission. In Western Europe, the Marshall Plan gave way to the Mutual Security Agency (MSA), which provided mostly military aid. Measured in dollars spent, MSA aid surpassed the cost of the Marshall Plan.

Outside of Western Europe, U.S. commitments were multiplying. New military alliances were forged in East Asia, the Middle East, and Latin America. For the first time in history, thousands of U.S. troops were stationed overseas.

Wherever foreign policy interests led the United States, U.S. aid soon followed. During the 1950s, large-scale assistance programs were launched in South Korea, Taiwan, Vietnam, and Turkey — countries on the front line of U.S. efforts to contain communism. India and Pakistan were also viewed as pivotal countries in the Cold War and together received more than $3 billion in the 1950s. Even Yugoslavia, a communist nation, was given $1 billion because of its refusal to ally itself with the Soviet Union.

No other country or international organization — not even the United Nations (UN) — could compare to the United States in the area of foreign aid. In 1960, for example, 55 percent of international economic assistance was given directly by the United States. In addition, the United States was by far the leading contributor to the World Bank, the International Monetary Fund (IMF), and the development programs administered by the UN.

America's spirit of self-confidence was affirmed in 1961 by several ambitious new foreign aid initiatives. The Agency for International Development was established to oversee U.S. economic assistance programs. The Alliance for Progress was designed to undercut the appeal of communism specifically in Latin America. At the same time, the Peace Corps was created to send Americans, many of them just out of college, to poor countries. Over the next thirty years, more than 130,000 Peace Corps volunteers brought American skills and values to nearly 100 nations.

The Agency for International Development (AID) quickly became an important force in developing countries. AID officials were hopeful that the success of the Marshall Plan could be duplicated in Asia, Africa, and Latin America. They helped the leaders of developing nations draft sweeping proposals for economic modernization. American aid went toward

planning new roads and harbors, identifying natural resources, and mapping out broad strategies for industrial development.

> *Our enemy is poverty, despair, stagnation and the fear that only totalitarian methods can lift a poor agrarian society into sustained growth.*
> *—President John F. Kennedy*

Third World competition

The expansion of U.S. foreign aid in the early 1960s reflected the heightened competition of the Cold War. The economy of the Soviet Union grew steadily during the 1950s. By the early 1960s, Moscow was enlarging its own foreign aid programs in developing countries. At the time, many believed that the tide of history was on the side of the Soviets.

In Africa and Asia, the colonial empires ruled by Britain, France, and other European nations had begun crumbling after World War II. To guard their independence, most rulers in the Third World imposed state control over their economies. Special emphasis was placed on catching up with Europe and the United States by promoting heavy industries, such as steel and coal. Government planners were often put in charge of making crucial economic decisions and managing big factories.

Third World leaders were also eager to break their trade ties with the old colonial powers. They erected barriers to foreign trade and sought to produce within their own countries the products that they had long imported from Europe. Dozens of Third World nations, from India to Tanzania to Chile, closely followed the economic model of the Soviet Union.

Although the United States urged the Third World to loosen government control and follow free-market policies, economic issues took a back seat to the priorities of the Cold War. U.S. officials were generally willing to overlook the corruption and mismanagement of American allies so long as they supported U.S. efforts to contain the Soviet Union.

Indeed, much of U.S. foreign aid during the Cold War was used to prop up anti-communist dictators. In the central African country of Zaire, for example, U.S. foreign aid from 1964 to the end of the Cold War amounted to $1.2 billion. Almost all of it wound up in the hands of Zairian President Mobutu Sese Seko and his allies, who funneled tens of millions of dollars into foreign bank accounts while their country's system of roads and rails fell into disrepair. During that same period, the United States provided the Philippines with $3 billion in assistance. Ferdinand Marcos, ruler of the Philippines from 1965 to 1986, was the main beneficiary. Part of the money financed shopping sprees by Marcos' wife, Imelda. The price-tag for one of her trips to the United States would typically run into the millions of dollars for purchases of jewelry, furniture, and clothing.

Likewise, the Vietnam War tarnished the reputation of U.S. foreign aid in the eyes of many Americans. As the number of American troops in South Vietnam rose during the 1960s, so did the size of the U.S. aid program in the country. By 1966, South Vietnam was receiving 43 percent of the development grants administered by AID.

Middle Eastern focus

In addition to Southeast Asia, the Middle East was a primary focus of U.S. Cold War strategy. As early as the 1950s, the United States had supported Israel with substantial economic assistance. The U.S.-Israeli relationship took on added significance in the 1960s as the Soviets began to expand their influence in the region. Egypt and Syria, the Soviet Union's principal allies in the Middle East, led the Arab forces that fought against Israel in 1967 and 1973. Israel won both wars, and, in turn, was drawn closer to the United States. By the 1970s, Israel was the leading recipient of U.S. economic and military assistance.

U.S. foreign aid was also critical in achieving a diplomatic breakthrough in the region. In 1977, President Jimmy Carter brought together the leaders of Israel and Egypt to end the hostilities between their two countries. American pledges of aid helped convince Egyptian President Anwar Sadat to accept a peace agreement. The price of peace, however, has not been cheap. Since 1977, Israel and Egypt have ranked as the top two recipients of U.S. foreign aid. In 1994,

Israel received $3 billion and Egypt $2.1 billion from the United States, representing 37 percent of the U.S. foreign aid budget.

In Afghanistan, U.S. foreign aid was used to fund war rather than peace. In 1979, the Soviet Union invaded its southern neighbor and placed a leader friendly to Moscow's policies in power. Afghan rebels resisted the Soviets with a fierce guerrilla campaign, often striking from base camps in Pakistan. The United States offered increased foreign aid to persuade the Pakistanis to support the Afghan cause. Throughout the 1980s, Pakistan ranked among the top five recipients of U.S. assistance.

Economic Shock Waves

In 1973, a sudden rise in oil prices shook the foundations of the global economy and changed the direction of U.S. foreign aid policy. The price hikes began as a result of the Arab-Israeli war in October 1973. To protest U.S. military aid to Israel, Arab states cut off oil shipments to the United States. The embargo convinced the oil producers that higher prices could be maintained if they limited production. During the 1970s, the strategy worked. Oil prices soared from as low as $1 a barrel at the beginning of the decade to over $30 a barrel by 1979.

The dramatic increase in oil prices was a windfall for the leading oil-producing countries. Many of them, such as Saudi Arabia and Kuwait, were flooded with dollars. A large share of their profits was invested in the banks of the developed world, which, in turn, were anxious to lend the money out at high rates of return.

Meanwhile, the nations of the Third World that lacked oil were eager to borrow. They found themselves squeezed by the rising cost of energy and the falling values of their own currencies. During the 1970s, the marriage between the bankers of the developed world and the leaders of the developing world was happy. The so-called "petrodollars" flowed from the oil-producing countries to the banks of the United States, Western Europe, and Japan, and from there to struggling nations of the Third World.

In the early 1980s, the rules of the global economic system underwent another sharp change. Leaders in the developed world took steps to reverse the inflation that had built up in the 1970s. Interest rates in the United States were hiked to cool the economy. A severe recession rippled throughout the global economy. By the mid-1980s, energy prices began to drop as demand for oil slowed, contributing to much lower inflation rates. The economies of the developed world gradually recovered from the shocks of the 1970s.

The mounting debt burden

In the developing world, however, the economic crisis deepened, especially for countries without oil. The recession of the early 1980s pushed down the prices they received for coffee, minerals, cocoa, and other vital exports. At the same time, the debt burden of earlier years grew heavier. Higher interest rates raised the cost of paying back earlier loans, and international bankers were no longer willing to provide easy credit. Even oil-rich states felt the pinch. Mexico, for example, announced in 1982 that it could not meet interest payments on its debt.

The debt crisis in the Third World gave new life to the IMF and the World Bank. Both institutions had been designed at the end of World War II to act as building blocks for the international financial order. The IMF's mission was to promote free trade and stable currency exchange rates. Countries belonging to the IMF could request short-term loans to help them weather temporary trade imbalances. The World Bank, which consists of five financial institutions, was established to invest in long-term projects. The bank initially concentrated on helping Western Europe rebuild from World War II.

At the time the IMF and the World Bank were founded, the United States contributed 41 percent of the funds for the two institutions. (Today, the U.S. contribution to the IMF and the World Bank represents about 18 percent of the total assets.) U.S. leaders encouraged officials of the IMF and the World Bank to extend their reach beyond Western Europe in the 1950s and 1960s. After 1970, AID phased out many of its efforts to guide broad economic reform in developing countries in favor of the IMF and the World Bank.

Permission granted for duplication

As the Third World sank deeper into debt in the early 1980s, government officials and bankers in the developed world turned up the pressure to collect their loans and prodded developing nations to accept their standards for international commerce. The job of the IMF, in particular, was to administer bitter economic medicine to the debtors of the Third World. To be eligible for new loans, debtor nations were required to undertake "structural adjustment" programs supervised by the IMF. Third World officials were expected to cut government spending, restrict the money supply to control inflation, reduce corruption and tax evasion, increase exports, and lower barriers to international trade. Without the stamp of approval from the IMF, developing countries found that private banks, as well as the World Bank, were unlikely to offer them new loans.

Bill Mauldin in the *Chicago Sun-Times*.

Bitter medicine

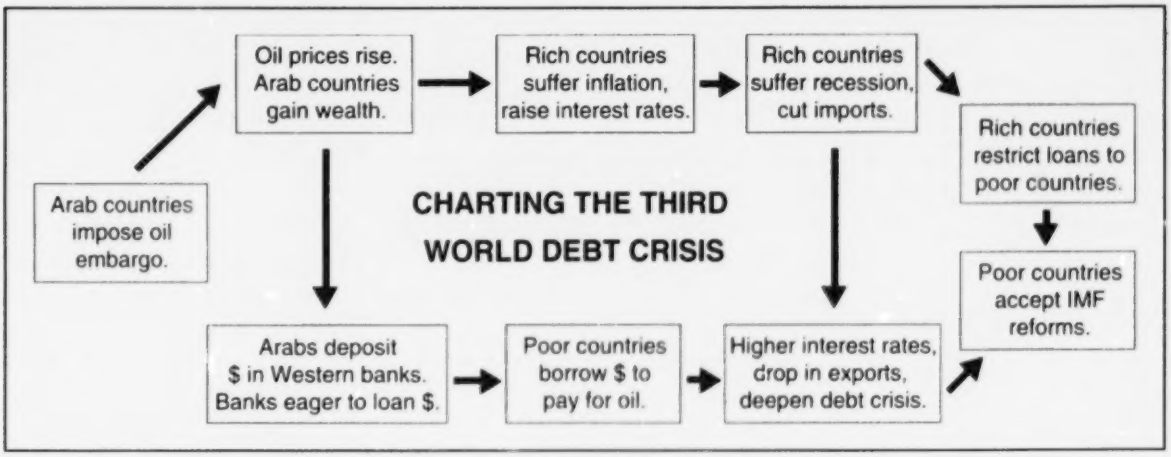
Structural adjustment has changed the political and economic landscape of much of the Third World. In many developing countries, rulers had based their regimes on support from government bureaucrats and other employees of the state. Cities were favored over the countryside. Farmers, for example, were typically expected to sell their crops to the government at low prices. In turn, government officials provided city dwellers with cheap food and sold export crops for higher prices on the world market.

Structural adjustment forced rulers to lay off state bureaucrats and cut back on government services, such as the subsidies that held down food prices. Many of the special arrangements that gave government supporters monopoly control over imports and exports were also eliminated in the name of free trade.

> *The IMF has an ideology of political and social development which it is trying to impose on poor countries irrespective of their own clearly stated policies.*
>
> *—Julius Nyerere, former president of Tanzania*

Even under the best of circumstances, however, structural adjustment often produced contradictory results. The IMF's emphasis on free trade, for example, called on developing countries to lower their trade barriers and seek out new export markets. In fact, more open trade policies gave many consumers their first chance to buy American cigarettes, Japanese watches, and other foreign products. Imports in most Third World nations shot up. Meanwhile, the drive to boost exports led to a worldwide glut of commodities from the developing world. Third World countries offered many of the same exports, such as coffee, thus pushing down prices for everyone.

By 1995, developing countries owed foreign lenders roughly $1.4 trillion. In many cases, the foreign aid received by poor nations does not even cover the interest payments on their huge debts. As the debt mountain has grown, debt forgiveness has increasingly become an important feature of foreign aid


CHARTING THE THIRD WORLD DEBT CRISIS
Arab countries impose oil embargo.
Oil prices rise. Arab countries gain wealth.
Rich countries suffer inflation, raise interest rates.
Rich countries suffer recession, cut imports.
Rich countries restrict loans to poor countries.
Poor countries accept IMF reforms.
Higher interest rates, drop in exports, deepen debt crisis.
Poor countries borrow $ to pay for oil.
Arabs deposit $ in Western banks. Banks eager to loan $.

policy. The United States, for example, forgave $2.7 billion of debt to reward the Polish government for adopting economic reforms in 1989. Likewise, $7 billion of Egyptian debt was written off in gratitude for Egypt's support of the United States during the Persian Gulf War in 1991.

Success stories

The debt crisis of the 1980s dimmed earlier expectations. From 1948 to 1973, most of the Third World had achieved high rates of economic growth, while standards for health, education, and nutrition rose as well.

Economies that relied heavily on state-run industries, however, were generally unable to keep up with global competition. Government control stifled innovation and creativity. Many developing countries found themselves burdened with factories that ate up valuable resources while turning out useless goods. Even the Soviets were in serious trouble. From 1985 to 1991, the Soviet Union's foreign debt grew from $28 billion to $67 billion and the Soviet economy went into a tailspin.

At the same time, the handful of developing nations that took off economically fueled their growth primarily through exports. The most striking examples — South Korea, Taiwan, Hong Kong, Singapore, and Chile — began promoting exports in the 1960s and 1970s. Government planning in each country was critical, and key industries were generally protected from foreign competition. But there were other policies that set these nations apart. National currencies, for example, were not kept at artificially high exchange rates, and restrictions on exports were lifted. Control of the economy was largely in the hands of private businessmen, not government planners. The laws of supply and demand were allowed to determine wages, interest rates, and other prices.

Economic growth was often accompanied by violations of labor rights and harm to the environment, but the results were nonetheless impressive. In 1950, South Korea's economy was at about the same level as that of Kenya and Peru. Today, per capita income in South Korea is eight times that of Kenya and three times that of Peru. From 1961 to 1990, South Korea's rate of economic growth averaged nearly 10 percent a year. South Korean electronics, computers, and automobiles are now among the top-selling brands in the world.

Foreign aid from the United States, as well as from Japan, was crucial in helping South Korea recover from the devastation of the Korean War. Most economists, however, maintain that aid was not the decisive factor in propelling the South Korean economy forward. The experience of other rapidly developing countries supports their argument. Taiwan, for example, began dismantling its protectionist economic policies after the flow of U.S. aid slowed in the mid-1960s. Chile was almost completely cut off from aid after General Augusto Pinochet overthrew the elected government in 1973.

All three countries aggressively pursued export sales in the United States. South Korea and Taiwan received an added boost during the Vietnam War, when local companies acted as suppliers to the U.S. military. For its part, the United States kept its market relatively open to imports from the Third World.

Trade benefits

Trade policy was a vital element of America's Cold War strategy. In 1947, the United States took the lead in organizing the General Agreement on Tariffs and Trade (GATT). The GATT laid down a set of ground rules for international commerce among the twenty-three nations that originally signed the accord.

Expansion of GATT was a top priority for U.S. policymakers. Membership in the organization meant acceptance of the free-market economic principles upheld by the United States, Western Europe, and Japan — and a rejection of the Soviet system. For that reason, the United States was willing to allow developing countries to join GATT on special terms. Many were given extra time to lower their import tariffs (taxes on imported goods) and take other steps to open their markets to foreign competition. GATT, now known as the World Trade Organization, today includes more than 120 member states.

In addition, the United States adopted measures on its own that were designed to encourage exports from developing countries. The creation of the Generalized System of Preferences in 1976 granted special tariff breaks on exports from certain developing countries. The United States also allowed American-made parts shipped abroad for assembly to re-enter the United States free of tariffs. As a result, hundreds of manufacturers set up factories in Mexico near the U.S. border to take advantage of cheap Mexican labor.

In the last two decades, however, U.S. efforts to extend trade benefits to the developing world have increasingly come into conflict with American producers and workers who fear Third World competition. By the late 1980s, the United States had negotiated agreements with ninety-eight countries to limit their exports of textiles and clothing to the United States. The trade restrictions often directly undermine U.S. foreign assistance programs. American aid officials in Bangladesh, for example, helped launch industries, such as clothing, that made use of that country's ready supply of low-wage labor. In 1986, however, the United States required Bangladesh to cut back exports of clothing to the American market.

Similarly, the Caribbean Basin Initiative illustrates the contradictions in U.S. policy. In 1983, the United States sought to counter communism in Central America and the Caribbean islands by eliminating tariffs on exports from the region. American business interests, however, lobbied Congress to ensure that sugar, beef, and textiles were not included among the tariff-free goods. The decision to exclude sugar from the initiative was most significant. Opening up the American market to tariff-free sugar from the Caribbean Basin would have earned countries in the region hundreds of millions of dollars. American consumers would have also benefited. During the 1980s, the price of American sugar was two to five times higher than the world price.

The most important U.S. trade initiative toward the developing world culminated in the North American Free Trade Agreement (NAFTA). NAFTA, which took effect in 1994 after seven years of negotiations, will gradually create an open market among the United States, Mexico, and Canada. The agreement has already led to a surge in U.S.-Mexican trade. At the same time, NAFTA has increased the U.S. stake in resolving Mexico's economic and political troubles. Other Latin American countries, with Chile at the head of the pack, have encouraged the United States to expand NAFTA southward.

Part II: U.S. Policy Challenges Today

In March 1995, leaders from around the world gathered in Denmark for the first World Summit for Social Development. The so-called "Poverty Summit" drew unprecedented international attention to the problems of the developing world. Representatives from both rich and poor nations agreed that development issues belonged at the top of the global agenda. Pledges were made to improve living standards, reduce debt, and protect the rights of workers in the developing world.

Underlying the official pronouncements of the Poverty Summit was an unspoken understanding about relations between rich and poor countries. First, there was a sense among delegates from developed nations that the problems of the developing world threatened the well-being of their own societies. Some were concerned about the flow of impoverished refugees from developing countries. Others concentrated on the connection between overpopulation in the developing world and harm to the global environment. Many expressed fear that the problems in much of the world would worsen in the 21st century.

Second, there was a widespread belief that development policies of the Cold War era were badly flawed. Development specialists from both donor and recipient nations confirmed that the main beneficiaries of economic assistance have typically been corrupt local officials and companies from the developed world that provide foreign aid.

They were also highly critical of large-scale aid projects that did not take into account the needs of the people they were designed to help. Meanwhile, there was a general consensus that the developed world could do more to spur economic growth in developing nations by lowering its trade barriers.

Finally, the delegates of the Poverty Summit recognized that the goals of the conference would have to be accomplished with less money. In 1994, wealthy nations gave $58 billion in aid to poor countries, or less than one-third of 1 percent of their combined GDP. In the United States and Western Europe, foreign aid spending has been squeezed by budget pressures in recent years. Among the world's major donors, only Japan has substantially increased its assistance.

> *We have everybody now thinking about doing a better job with existing resources rather than always talking about adding more money to the pot.*
>
> *—Timothy Wirth,*
> *under secretary of state for global affairs*

The U.S. Policy Debate

The discussion in the international arena about relations between the world's rich and poor countries is taking place in the United States as well. Two key areas of public policy — trade and foreign aid — are at the center of the debate.

Turning to trade

Most of us think of trade policy strictly in economic terms. News on trade matters tends to concentrate on disputes with Japan over auto parts sales or with Western Europe over agricultural exports. The long-term trends, however, suggest that U.S. trade policy will increasingly become a critical element in our country's relations with the developing world.

Developing countries (including the nations of the former Soviet bloc) already purchase 42 percent of U.S. exports, and their share is expected to steadily rise. President Bill Clinton has taken steps to build stronger trade ties with Latin America and East Asia.

Supporters of more open trade argue that everyone wins when trade barriers fall. American consumers benefit from a wider selection of competitively priced products while U.S. companies gain new opportunities to export their goods and services. Free trade advocates also contend that an increase in exports is the surest path to economic progress in the developing world. They point to South Korea, Taiwan, Hong Kong, Singapore, and Chile as examples of countries that improved the lives of their people largely through export-driven economic growth.

Critics of free trade, however, maintain that losers outnumber winners in the global economy. Among the chief winners, in their view, are the big corporations that relocate factories in the developing world to take advantage of low-wage labor. The losers include the hundreds of thousands of American workers who have lost manufacturing jobs in recent years. Free-trade opponents assert that the benefits of export-driven economic growth in the developing world seldom trickle down to the majority of the population. They claim that NAFTA will bring more harm than good for most Mexicans.

Foreign aid under fire

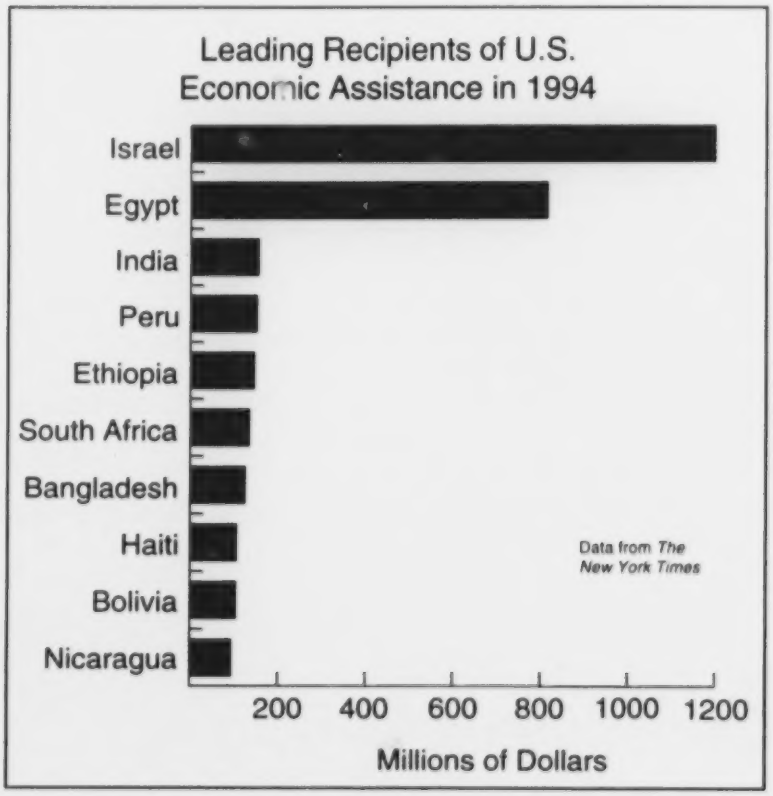
Like U.S. trade policy, our country's foreign aid policy has generated heated controversy in recent years. Foreign aid spending ($13.7 billion in 1995) is less than 1 percent of the U.S. budget, but the subject strikes at the core of the larger debate about America's role in the world.

Although Americans usually lump foreign aid spending together, the budget has two distinct components. Military and security aid goes mainly to U.S. military allies and to support drug-control efforts. Of the $3.85 billion devoted to military and security aid in 1995, Israel received $1.8 billion and Egypt $1.3 billion.

The remaining $9.85 billion of the $13.7 foreign aid budget is classified as economic assistance. Again, Israel and Egypt are the leading recipients of U.S. economic assistance. The figures, however, tell only part of the story.

A portion of economic assistance, in fact, consists of credits to purchase American goods and services. As part of a program to modernize farming, for example, the United States might provide credits to buy American-made irrigation equipment or hire an American expert on food storage and packaging.

The Agency for International Development (AID) administers the largest share of our nation's foreign aid budget — $7.5 billion in 1995. In addition, the United States will contribute about $2 billion in 1995 to the World Bank and the International Monetary Fund to provide loans to developing countries.



AID's future

The debate about the direction of U.S. foreign aid has been gathering momentum since the end of the Cold War. AID has been at the center of the storm. The agency's budget has already been trimmed by 20 percent since the presidency of George Bush. (Overall, U.S. foreign aid spending is down by about half since its peak in 1986.) Even with new programs in the former communist states of the old Soviet bloc, the number of countries receiving U.S. aid has been reduced from 108 to 50.

Most of AID's reorganization has taken place under the Clinton administration. From thirty-three objectives at the end of the Cold War, AID now aims to fulfill only a few

broadly defined goals. At the top of AID's agenda is promoting steady economic growth through free-market economic principles, protecting the environment and holding down population growth, nurturing democracy, and boosting the rights of women and minority groups.

AID's director under Clinton, J. Brian Atwood, uses the term "sustainable development" to sum up the agency's philosophy on economic advancement. Atwood sees sustainable development as an attempt to balance demands for economic growth with concern for human needs and the environment. Critics of sustainable development charge that the approach serves to justify continued government control of the economy in poor countries and stifles free-market reform.

> *There is nothing right about the words "foreign" or "aid." It's not charity. It's not a gift. It's something we do in our own interests.*
> *—J. Brian Atwood, director of AID*

AID's emphasis on nurturing democracy and women's rights has likewise sparked debate. AID officials contend that the United States should use foreign aid as a means for advancing America's political and social values. They favor American support for opposition political parties, independent newspapers, human rights groups, and other institutions that act as the foundation of a democratic political system. They point out that educating women pays off in lower birth rates and improved health care. In their view, economic development goes hand-in-hand with democratic values and expanded opportunities for women.

Critics, however, consider efforts to implant the values of our society in developing countries as misguided, if not outright dangerous. In countries where the population is sharply divided along ethnic or religious lines, critics note, introducing political parties and elections tends to magnify local tensions. Similarly, they warn that placing special emphasis on women often cuts against the grain of long-held traditions and breeds resentment against American meddling.

Competing visions

The opposing views on sustainable development serve as a dividing line in Congress as well. On one side is the legislation put forward by President Clinton. On the other side are bills supported by Republicans in the House of Representatives and the Senate. Clinton's proposed Peace, Prosperity and Democracy Act, introduced in 1994, is meant to replace the Foreign Assistance Act of 1961 as the guiding force behind U.S. foreign aid policy. Clinton's legislation was shaped by the conviction that U.S. economic assistance can play a crucial role in solving the problems of the developing world. The president wants to shift more resources to promoting long-term development in poor countries.

In contrast, the Republicans question the effectiveness of economic assistance. Most believe that economic assistance often masks the need for tough economic and political reforms in developing countries. The foreign aid bill for 1996 passed by Republicans in the House in July 1995 cuts nearly 20 percent of the spending requested by Clinton. Assistance programs for Africa and Latin America would be sharply reduced by the Republicans, although new programs would be funded to improve the health of children. The Republicans, however, maintained assistance levels for Israel and Egypt.

Four Case Studies

A discussion of U.S. policy toward the developing world requires a degree of familiarity with the problems of poor countries. For most Americans, that means stretching the limits of their imagination. To begin with, few Americans can grasp the depth of poverty that haunts much of the developing world.

According to U.S. government estimates, about one in seven Americans lives below our country's official poverty line. Life for America's poor is bleak, but even our country's poorest citizens generally have access to electricity, heating, safe drinking water, free education, and other basic services. In contrast, many of the modern conveniences that Americans take for granted are lacking in the developing world.

Conditions in Bangladesh, a South Asian country

Data from the World Bank

Worlds Apart: Comparing Developed and Developing Countries

Country	GNP per capita ($)	Life expectancy at birth (years)	Death rate for children under 5 years (per 1,000)	Adult literacy (%)	Children in primary education (%)	Children in secondary education (%)
WORLD'S POOREST COUNTRIES						
Mozambique	60	44	276	33	63	8
Ethiopia	110	49	205	?	25	12
Tanzania	110	51	149	?	69	5
Sierra Leone	160	43	241	21	48	16
Nepal	170	54	142	26	?	?
Uganda	170	43	205	48	71	13
WORLD'S RICHEST COUNTRIES						
Switzerland	36,080	78	8	99	100	91
Japan	28,190	79	6	99	100	97
Sweden	27,010	78	7	99	100	91
Denmark	26,000	75	8	99	100	100
Norway	25,820	77	8	99	100	100
United States	23,240	77	11.5	97	100	90

which ranks among the world's poorest nations, illustrate the meaning of poverty in much of the developing world. Thirteen percent of Bangladeshi children born today will die before their fifth birthday. Two-thirds will suffer from malnutrition so severe that their growth will be permanently stunted. Although Bangladesh has made substantial strides in education in recent years, one-quarter of the country's children do not attend school. Sixty-five percent of the adult population cannot read or write.

Of Bangladesh's 125 million people, more than 100 million live in the countryside. Most farmers cultivate tiny plots of land that barely produce enough food for themselves and their families. The average per capita income is $220, more than 100 times less than the average per capita income in the United States.

The technological advances of the 20th century have scarcely touched the lives of most Bangladeshis. The majority of people continue to burn dried animal dung or wood for fuel. The average Bangladeshi uses 160 times less electricity than the average American. Bangladesh has one telephone for every 522 people.

Since its establishment in 1971, Bangladesh has also been a test case for international aid. The country has been the launching pad for several innovative development projects, as well as home to a number of notable disappointments. Bangladesh received $125 million in U.S. economic assistance in 1994, ranking seventh among U.S. aid recipients.

In this section of the background reading, you will have an opportunity to examine the successes and failures of U.S. development strategies in Central Europe, sub-Saharan Africa, India, and Latin America. In each case study, one country will be highlighted. As you read, consider how the following examples help flesh out your picture of the developing world and apply to the current debate over U.S. policy.

Central Europe

The countries of Central Europe share a common economic past. For more than four decades after World War II, they were dominated by the Soviet Union and followed communist economic policies. (Americans at the time identified them as part of Eastern Europe.) Central European countries conducted almost all of their trade with other members of the Soviet bloc.*

When the Soviet empire began to unravel in the late 1980s and finally collapsed altogether at the end of 1991, Central Europe took the lead in carrying out economic reform. The reaction in the United States and Western Europe was enthusiastic. The United States persuaded other Western countries to cancel half of Poland's official foreign debt (which reached $35 billion in 1991). Western advisors drafted economic reform programs and lobbied for a new Marshall Plan to revive Central Europe and the other former Soviet bloc states.

Their reform plan was known as "shock therapy," and closely followed the formula devised by the IMF for struggling countries of the Third World. According to shock therapy, Central European nations were advised to lift price controls, slash government spending and hold down budget deficits, allow the value of their currencies to be set by global market forces, sell off state-run industries to private owners, and open their borders to foreign trade and investment.

No country embraced shock therapy with as much determination as Poland. The results were jarring. In 1990 and 1991, Polish industrial production fell 37 percent. Sixteen percent of Poles found themselves unemployed by 1993.

Hard times have weakened Poland's initial commitment to economic reform. Few of the big, inefficient state-run industries that were the backbone of the communist economy have been sold off. The government's budget deficit in the 1990s has averaged 6 to 8 percent of Poland's GDP (compared to about 3 percent in the United States).

Moreover, economic reform has opened up new divisions between the rich and the poor in a society

*Yugoslavia, of which Slovenia was a part until 1991, was communist but acted independently of the Soviet Union.

FACTS ON POLAND

Area: 193,862 square miles
(slightly smaller than New Mexico)

Percentage of arable land: 46%

Population: 39 million

Annual population growth rate: 0.35%

Life expectancy at birth: 73 years

Adult literacy: 98%

Per capita GDP: $4,680

Chief exports: machinery, metals, chemicals, fuels and power, food

Chief imports: machinery, fuels and power, chemicals, food

Foreign debt: $47 billion

Defense spending: 1.8% of GDP

that placed a high value on equality under communism. The World Bank estimates that most Poles will not regain the standard of living they enjoyed in the mid-1980s until well into the 21st century.

By most standards, however, Poland is viewed as a successful example of economic reform. Much of the drop in industrial output in 1990 and 1991, in fact, resulted from the closure of factories producing outmoded goods of poor quality. By 1993, the Polish economy was again expanding and has since been one of the fastest-growing in Europe. As many as 2 million new businesses have been created since 1989 and over half of the Polish work force is now employed in the private sector. There have been other success stories in Central Europe as well. U.S. aid programs, for example, are scheduled to be phased out in the Czech Republic, Estonia, and Slovenia by 1997.

Poland's transition from the communist system to the free market is far from complete. The Poles are highly educated and have contributed greatly to the advancement of science. Nonetheless, four decades of communist rule have deprived Poland of many of the skills needed in a free-market economy. Poles, for example, are only now being introduced to the industries of banking and insurance. A stock market and legal codes are being created from scratch.

Because of its trailblazing position, Poland received a larger share of international economic assistance than most other former Soviet bloc countries. In 1989, developed countries pledged to contribute $8 billion in grants and loans to speed Poland's reforms. Most of the money never arrived, but the assistance that was provided has helped cushion the bumps of shock therapy.

Most aid from the United States to Poland has come in the form of debt forgiveness and advice. In 1995, AID is expected to spend about $380 million in Central Europe (including Bulgaria and Romania). In Poland, hundreds of bankers and business owners have been trained through AID programs, often at universities in the United States. Thousands of small loans have been made to launch new businesses. Assistance has been provided to farmers to modernize Polish agriculture. American Peace Corps volunteers with business backgrounds have shared their expertise with their Polish counterparts to craft marketing strategies and attract foreign investment. AID advisers have helped the Polish government develop plans for privatizing state-run industries and write new laws and regulations for a free-market economy.

The presence of the foreign advisers, most of whom are not AID employees, has fueled resentment among many Poles. The average consultant costs AID about $800 a day in salaries, benefits, travel, and other expenses. In the former Soviet bloc as a whole, from 50 to 90 percent of AID's budget is spent on foreign advisers.

More significant for Poland are the trade policies of the United States and Western Europe. With the disintegration of trade ties within the former Soviet bloc, Poland and its Central European neighbors are hoping to find new export markets in the West.

The fifteen Western European states that make up the European Union (EU) have granted limited trading privileges to the countries of Central Europe, giving them an advantage over other developing countries in the Western European market. The Poles, for example, have sold nearly one-third of their exports to Germany in recent years.

The EU, however, is unlikely to admit Poland and its neighbors as full members of its trade bloc until the next century. In the meantime, the EU has raised barriers to imports of agricultural products, steel, textiles, and chemicals — precisely the goods that Central Europeans hoped to export. U.S. trade policies toward Central Europe have been less restrictive, but the trade benefits sought by Central European leaders have not materialized.

> *It would be a pity if the West constructed a new Iron Curtain of trade where the old one existed. That would seriously endanger reforms.*
> *—Alexander Kwasniewski,*
> *head of Poland's Democratic Left Alliance*

In terms of overall U.S. foreign policy, Central Europe occupies an important position. Poland's location between Germany and the former Soviet Union is especially strategic, and potentially explosive. Among the countries of Central Europe, Poland has

campaigned most vigorously for entry into the North Atlantic Treaty Organization (NATO). Poles feel that membership in the Western alliance is their best insurance against a resurgence of Russian expansionism.

U.S. policymakers have tried to reassure Poland without upsetting relations with Russia. All agree that Poland's stability and prosperity is essential if other nations in the former Soviet bloc are to stay on the path to reform. In addition, American business leaders are looking toward Poland and its neighbors as an inviting area for investment and trade.

Sub-Saharan Africa

Sub-Saharan Africa (the countries of the continent that do not border the Mediterranean) has largely come to be viewed as a region of problems. Taken as a whole, the picture in sub-Saharan Africa is indeed grim.

Africa is the only continent where health and education are declining and poverty increasing. Nearly one in three children in sub-Saharan Africa is severely malnourished and goes without a primary school education. In many countries, foreign aid represents over 5 percent of GDP. Statistics indicate that income and food production have fallen in most countries over the last two decades. Almost two-thirds of the people in the world suffering from AIDS live in sub-Saharan Africa.

Meanwhile, population growth in sub-Saharan Africa is the highest in the world. At present rates, the number of people in the region is expected to grow from 600 million to 1.6 billion by 2030. In the 1990s, the world has been horrified by scenes of a genocide in Rwanda that claimed at least 500,000 lives, famine in Somalia, and bloody civil wars in Liberia, Sudan, Angola, and elsewhere. In several war-torn countries, including Angola and Somalia, roughly twice as much money has been spent on the military than on health and education. In all, the continent has eighty-three soldiers for every doctor. (The ratio is four to one in the developed world.)

A broad overview of sub-Saharan Africa, however, overlooks the continent's diversity and promise. Much of southern Africa, particularly Botswana, Zimbabwe, and Zambia, have made substantial progress over the last twenty years. In South Africa, the election of Nelson Mandela in 1994 peacefully ended decades of white rule in the country. Over half of sub-Saharan Africa's forty-eight countries have recently held democratic elections, and independent newspapers have gained influence throughout the region.

More than in other areas of the developing world, the history of sub-Saharan Africa in the 20th century has been dominated by outside forces. Independence from European colonial rule did not come until the 1950s and 1960s in most cases. During the Cold War, Africa was the scene of a tug-of-war between the United States and the Soviet Union. Much of the foreign aid channeled to the continent arrived in the form of military equipment.

Since the end of the Cold War, the influence of the superpowers has largely been replaced by the authority of the IMF and the World Bank. The two organizations are responsible for helping sub-Saharan Africa climb out of the debt crisis and presently oversee economic reform programs in thirty African countries. The region, however, has a long way to go. Sub-Saharan Africa's debt now tops $180 billion, while the region's share of world trade has dropped to 2 percent.

U.S. aid to sub-Saharan Africa has taken a new direction since the end of the Cold War. During the 1980s, the top recipients of American assistance in the region were Somalia, Zaire, Liberia, and Sudan — all key elements in U.S. Cold War strategy.

The establishment of the Development Fund for Africa in 1988 placed new emphasis on fostering responsible government in the region. In several countries, where rulers have refused to take steps against corruption and government waste, the United States has begun phasing out its aid programs. The U.S. aid program in Zaire has been almost completely cut off because of the refusal of Zairian President Mobutu Sese Seko to accept economic and political reforms. Similar cutbacks have taken place in Sudan and Kenya.

The most tragic setback for U.S. policy in the 1980s occurred in Somalia. Much of the $800 million in aid that the United States pumped into the country

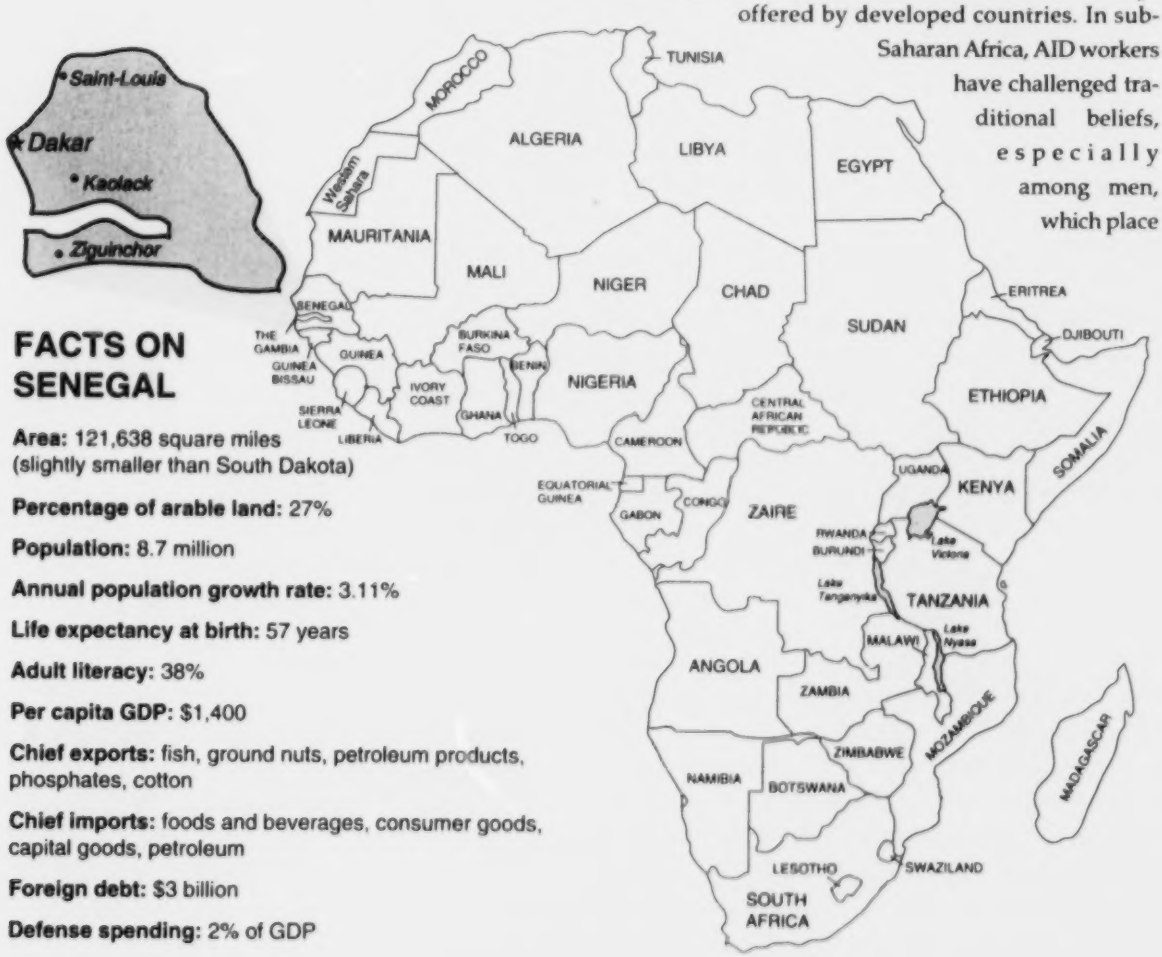
during the decade was siphoned off by clan leaders who were responsible for that country's civil war and famine in the early 1990s. In 1992, 25,000 American troops were sent to Somalia as part of a United Nations mission to prevent starvation and restore order. After eighteen Americans were killed in a skirmish with the forces of a Somali warlord in 1993, the United States began dismantling its operation.

Total U.S. assistance to sub-Saharan Africa has dropped in recent years, but aid officials claim that the dollars go further. The high-profile projects of the past are giving way to improving the lives of average people. Instead, of funding the construction of an urban hospital or a university, aid officials are more likely to support rural health clinics and elementary schools.

U.S. aid officials hope to break the cycle of crisis by focusing more on long-term development. In recent years, the United States has often spent more in sub-Saharan Africa on emergency assistance for trouble spots like Somalia than on development aid for the rest of region.

> *For many, many generations, praise will be unto those who rose to the challenge as Africa set on a new and great beginning.*
>
> *—Nelson Mandela, president of South Africa*

A major part of the U.S. effort revolves around limiting population growth. Worldwide, the United States spends about $450 million on population control, much of it in sub-Saharan Africa, and provides roughly 43 percent of the family-planning services offered by developed countries. In sub-Saharan Africa, AID workers have challenged traditional beliefs, especially among men, which place



FACTS ON SENEGAL

Area: 121,638 square miles (slightly smaller than South Dakota)

Percentage of arable land: 27%

Population: 8.7 million

Annual population growth rate: 3.11%

Life expectancy at birth: 57 years

Adult literacy: 38%

Per capita GDP: $1,400

Chief exports: fish, ground nuts, petroleum products, phosphates, cotton

Chief imports: foods and beverages, consumer goods, capital goods, petroleum

Foreign debt: $3 billion

Defense spending: 2% of GDP

a high value on large families.

The West African country of Senegal is a good place in which to assess the prospects of U.S. aid policy in the region. AID's programs in Senegal have taken aim at addressing the basic human needs of the country. Economic development is targeted on increasing grain production among small farmers. At the same time, AID has funded the planting of nearly 4 million trees to help restore Senegal's forests. Limiting population growth and AIDS prevention are also important features of AID's efforts. In addition, AID helped monitor elections in 1993 and has encouraged the involvement of community groups in its activities.

Like many of its neighbors, Senegal has undertaken free-market economic reforms at the urging of AID and the IMF. Pressure from the United States and other developed nations has led the Senegalese government to trim its overstaffed bureaucracy. Removing barriers to free-market competition has forced business to improve efficiency. Aid officials hope that the reforms will spur increased private investment in the economy.

AID's programs have registered successes, but the problems in Senegal remain daunting. The average Senegalese woman still has six children, even though birth rates have dropped. AID has stepped up the distribution of condoms, but each year the number of people infected by HIV (the virus that causes AIDS) is increasing by about 10 percent. In the countryside, people chop down trees faster than they can be replanted, and farmland continues to be damaged by the resulting soil erosion.

The approach of AID and the IMF to economic reform has also drawn criticism. Opponents of "structural adjustment" argue that AID and IMF officials place too great an emphasis on cutting government spending and increasing exports. In almost every country, they contend, the pain of reform falls hardest on the poorest members of society.

The accomplishments of aid are more impressive in the area of children's health care. Vaccination rates in Senegal are up. Deaths from diarrhea — the leading killer of infants in the developing world — have been reduced. Overall, the number of Senegalese children who survive until their fourth birthday has increased by 29 percent since 1990.

In all, AID will spend about $800 million in sub-Saharan Africa in 1995, $32 million of which will go toward programs in Senegal. Larger contributions will come from Western European nations and international organizations. The assistance, however, will be offset in part by Senegal's payments on its $3 billion national debt.

India

India plays a critical role in world affairs. With a population of almost 950 million, the country is by far the world's largest democracy, and many observers believe that the political direction of much of the developing world hinges on the fate of Indian democracy. India is also a country of great religious and ethnic diversity. A worsening of conflict in the country would inevitably spill over to India's neighbors and shake the foundations of other diverse societies. In addition, India is a proving ground for economic reform in a democratic society. Since 1990, Indian leaders have begun stripping away the trade barriers and regulations that isolated India's economy from the outside world.

> *It would be hard to describe a nation that could be more central to our interests in the century ahead [than India] — or one with whom the promise of cooperation and friendship is greater.*
>
> *—Jeffrey Garten, under secretary of commerce for international trade*

During the Cold War, India was a focal point of competition between the United States and the Soviet Union. Beginning in the 1950s, India became a leading recipient of American aid. U.S. breakthroughs in agricultural research led to the new grain varieties and improved techniques for the use of fertilizers and chemicals that helped fuel India's "green revolution." Despite a doubling in the country's population since the early 1960s, India is today more or less self-sufficient in agriculture.

The inroads of the Soviet Union, however, outpaced those of the United States. The U.S. alliance with Pakistan — India's opponent in two wars since

both nations gained independence from Britain in 1947 — encouraged the Indians to seek warmer relations with the Soviets for security reasons. The Soviets responded by helping the Indians build roads, dams, and other large-scale infrastructure projects. Trade ties between the two countries also expanded.

The collapse of the Soviet Union has brought rapid change to India. In foreign affairs, India and the United States have been drawn closer together. The two countries share a common interest in containing China's ambitions in Asia and blocking the spread of Islamic fundamentalism, especially in Pakistan. At the same time, U.S.-Pakistani relations have cooled.

In the economic sphere, admirers of the Soviet economic system in India have been in retreat. State-run industries have been privatized and obstacles to free-market competition have been knocked down. Although India has received more foreign aid than any other developing country, Indian officials today are looking to trade and investment to promote development. Most of the assistance granted to India since 1990 has come in the form of loans from the IMF and World Bank.

American aid programs in India are relatively small. In 1995, for example, AID's efforts in India are expected to cost $67 million. In contrast, U.S. trade with India in 1993 amounted to $7.3 billion, while American investment exceeded $750 million.

U.S. policy in the developing world is closely tied to India's future. Despite a sharp drop in birth rates in the last two decades, India's population is expected to grow by nearly 450 million in the next twenty-five years. Nearly 400 million people in India — a population greater than that of South America — are undernourished.

Controlling population growth has been a logical area for U.S. involvement in India. As in other developing countries, the United States has sought to broaden the availability of family planning services and raise the educational levels of women in India, often working in partnership with local groups.

Laying the foundations for India's industrial growth also fits into America's broader development strategy. The Indian government, for example, has placed a high priority on developing its country's energy resources, and AID has contributed by setting up a program to channel private American investment into the Indian power industry.

U.S. development policy in India, however, has also felt the tug of conflicting goals. When the Indian government in 1985 sought funding through the World Bank to build a series of dams on the Narmada River, U.S. officials initially approved the project. In recent years, however, environmental concerns have increasingly influenced the course of U.S. foreign aid policy, including America's outlook on the Narmada Dam project.

The growing strength of environmentalism

FACTS ON INDIA

Area: 2,038,306 square miles (slightly more than one-third the size of the U.S.)

Percentage of arable land: 55%

Population: 950 million

Annual population growth rate: 1.82%

Life expectancy at birth: 59 years

Adult literacy: 48%

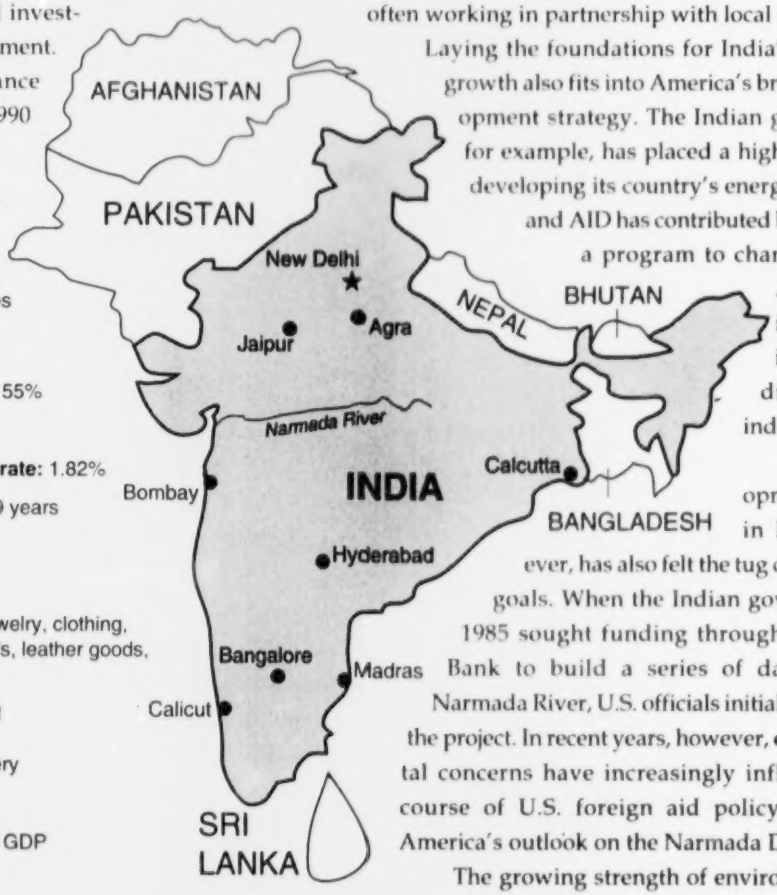
Per capita GDP: $1,300

Chief exports: gems and jewelry, clothing, engineering goods, chemicals, leather goods, cotton yarn, fabric

Chief imports: crude oil and petroleum products, gems, fertilizer, chemicals, machinery

Foreign debt: $90 billion

Defense spending: 2.4% of GDP



in the United States translated into pressure from Congress on the World Bank. Environmentalists were especially critical of a World Bank loan to Brazil in the 1980s that funded construction of a road connecting the densely populated south-central region with the rain forest of the northwest. The project paved the way for the settlement of 500,000 Brazilians in the Amazon Basin and the destruction of thousands of acres of rain forest. Faced with an international outcry, most World Bank officials have lost their enthusiasm for the big projects of the 1970s and 1980s. Instead, they have woven environmental considerations into their evaluations of loan requests.

The shift in the World Bank's lending practices has left its mark in India. Although the World Bank loaned India $450 million to break ground on the Narmada Dam, critics of the loan soon began questioning its environmental impact. The project is an enormous undertaking. Plans call for the main dam across the Narmada River to span nearly 4,000 feet and rise 425 feet above the river bed. The construction of more than 130 smaller dams along the course of the Narmada is not scheduled to be completed until well into the 21st century.

In addition to generating hydroelectric power, the Narmada Dam will provide irrigation water for millions of farmers in India's arid western region. The project, however, comes at a heavy price, and not just in terms of money. Critics note that the main dam alone will flood nearly 200 square miles and leave 119 settlements under water. As many as 200,000 local tribespeople will lose their homes and much of central India's ecosystem will be disrupted.

Opposition to the Narmada Dam first gained strength in India among environmentalists and defenders of tribal peoples. They soon found allies in the United States and other developed countries. The coalition eventually caught the attention of World Bank officials, prompting them to commission an independent study to review the project. The findings affirmed many of the concerns voiced by environmentalists.

The study also put the World Bank and the Indian government on a collision course. The World Bank insisted that India revise the Narmada Dam project to limit environmental damage and commit more resources to the resettlement of people who will lose their homes to the rising waters. India refused, and the remaining $170 million on the World Bank loan was cancelled in 1993.

Supporters of the dam have argued that the cause of environmental protection should not blind wealthy nations to the need for development. They contend that the Narmada Dam and other large-scale hydroelectric projects are needed to bring electricity to the 2 billion people worldwide who currently burn wood and animal dung for fuel.

Meanwhile, India has gone ahead with the project. Although Indian courts have ordered a delay in construction, the government has pressed ahead with plans to finish the main dam in 1997. Without World Bank support, India will need to raise at least $5 billion to complete the full project.

Recent trends suggest that Indian officials may be correct in questioning the need for World Bank funding. In 1994, developing countries received $97 billion in private foreign investment, compared to $72 billion in economic assistance and export credits. Most economists expect the increase in private investment in the developing world to outpace the growth of spending on aid. Assuming that India's economic reforms continue to inspire confidence in international financial markets, India is likely to remain a magnet for outside investors.

Latin America

Geography has created a unique bond between the United States and Latin America. Our country's first foreign aid programs were undertaken in Cuba after the United States gained control of the island in the Spanish-American War of 1898. In the early decades of the 20th century, American assistance efforts went hand-in-hand with the expanding role of the U.S. military and American business in the region.

The United States repeatedly intervened in the countries of the Caribbean, Central America, and Mexico. In several countries, especially Cuba, Haiti, and Nicaragua, American troops maintained almost a constant presence into the 1930s. At the same time, the United States built roads, hospitals, harbors, and

railroads, usually to support American investments.

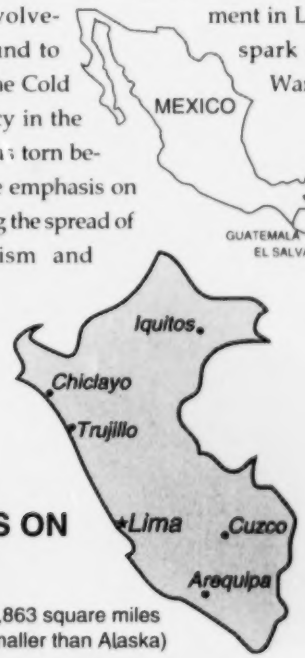
From the start, U.S. policy in Latin America was muddied by conflicting goals. For those who favored a strong military presence in the region, Latin America — particularly the Caribbean and Central America — was seen as a potential breeding ground for threats to U.S. security. Meanwhile, business leaders were most interested in expanding their investments in sugar, coffee, bananas, and other local industries. In addition, the region was viewed as a test case for America's ability to transplant democratic values and reduce poverty.

With so many interests at work, the results of U.S. involvement in Latin America were bound to spark controversy. During the Cold War, for example, U.S. policy in the region was torn between the emphasis on containing the spread of communism and the need to improve the lives of the poor and promote democracy. Cold War strategy often led the United States to side with military dictators in the struggle against communism.

The Third World debt crisis of the 1980s prompted a review of U.S. priorities in Latin America. Brazil and Mexico headed the list of debtors, but most other Latin American nations were also heavily burdened. Country after country in the region adopted economic reform programs crafted by the IMF. The belt-tightening measures hit the poor the hardest, and the impact soon spilled across U.S. borders. The number of illegal aliens crossing into the United States from the region soared during the 1980s. More recently, waves of refugees from Haiti and Cuba have landed on American shores. In addition, the 1980s also saw a rise in drug trafficking in Latin America.

Peru has long been home to many of Latin America's most deeply rooted problems. In recent years, U.S. policy toward Peru has been concentrated on cocaine production and the Shining Path guerrilla movement. The two issues largely explain why the United States is scheduled to spend about $150 million on foreign aid in Peru in 1995 — more than in any other Latin American country.

The 1980s were disastrous for Peru. Many of the country's main industries, such as fishing and mining, were in decline. Peru's mounting foreign debt and spiraling inflation scared off investors. Meanwhile, the Shining Path (known in Spanish as *Sendero Luminoso*) launched a terrorist campaign to overthrow the government and to establish a communist state in Peru. The guerrillas, who operated mostly in the remote valleys of the Andes Mountains,



FACTS ON PERU

Area: 796,863 square miles (slightly smaller than Alaska)

Percentage of arable land: 3%

Population: 24 million

Annual population growth rate: 1.86%

Life expectancy at birth: 66 years

Adult literacy: 85%

Per capita GDP: $3,000

Chief exports: copper, zinc, fishmeal, crude petroleum and byproducts, lead, refined silver, coffee, cotton

Chief imports: machinery, transport equipment, foods, petroleum, iron and steel, chemicals

Foreign debt: $22 billion

Defense spending: 2% of GDP

based their philosophy on the teachings of Mao Zedong, leader of China's communist revolution.

The election of Alberto Fujimori as president in 1990 indicated that most Peruvians were desperate for order. At the time, Peru's annual inflation rate had reached 4,300 percent and economic output had fallen below levels of the 1960s. Over half of the country's population lived in "emergency zones," in which the military and the Shining Path battled for control.

Fujimori promised to restore economic and political stability. In 1992, he suspended the constitution and assumed dictatorial powers. His first target was the Shining Path. In the early stages of the crackdown, the Peruvian military unleashed a new assault on the Shining Path's mountain strongholds and captured many of the movement's top leaders. Fujimori also embarked on free-market economic reforms and struck against cocaine traffickers.

Fujimori's policies put the United States in a quandary. The Peruvian president's battle against the Shining Path and drugs were in line with U.S. priorities, as was the drive toward economic reform. But to accomplish his goals, Fujimori had brushed aside democratic principles. U.S. officials feared that Fujimori's actions would reverse the trend toward democracy in the Western Hemisphere.

In 1993, U.S. foreign aid programs in Peru were put on hold to protest the human rights abuses tolerated by Fujimori. Peru's progress under Fujimori, however, helped mend relations with the United States. The guerrilla war that has claimed 26,000 lives and inflicted $20 billion in damage seems to be winding down, while the economy is registering strong growth for the first time since the 1970s. U.S. officials also maintain that Fujimori has taken steps to put Peru back on the path toward democracy.

The U.S. record in Peru has been less dramatic. American efforts to limit cocaine production in Peru go back to the early 1980s. U.S. officials have concentrated on persuading Peruvian farmers to switch from growing coca leaves (the basis for cocaine) to other crops. Their program, however, has run into cultural and economic roadblocks.

About two-thirds of the world's coca is grown in Peru, mostly by poor farmers who trace their origins to the Inca empire that ruled much of South America before the arrival of the Spanish. Traditionally, the people of the Andes have chewed coca leaves to relieve hunger, cold, and fatigue. In its raw form, coca acts as a mild stimulant, not much more potent in effect than the caffeine in coffee and tea.

Beginning in the 1970s, coca growing became an important business in Peru. The economic appeal for peasants was irresistible. Coca plants yield several harvests a year. The leaves are light to carry and bring a high price compared to other crops. Coca soon became Peru's largest single export, with about 5 percent of the population dependent on the drug for its livelihood.

The Shining Path was also lured to the profits of coca. The guerrillas set themselves up as the middlemen between the farmers and the Colombian cocaine cartels. They bought the leaves directly from farmers, evaded police, and often completed the first stage of processing. At the same time, the Shining Path's terror campaign blew up roads and bridges linking the Andes to the coastal cities, thereby leaving local farmers with few economic alternatives. Farmers who defied the Shining Path were often murdered. At the height of the Shining Path's war, from 1986 to 1990, Peru's coca output grew by 21 percent.

U.S. efforts to reduce coca production in Peru have steadily broadened beyond crop substitution. American aid officials have been forced to concede that asking farmers to switch from growing coca to raising coffee or potatoes is not enough. Instead, they recognize that crop substitution must be combined with effective and honest law enforcement, public education, and economic reform.

> *You can't declare war on 3 million peasants.*
> *—Hernando de Soto,*
> *former director of Peru's drug control efforts*

U.S. strategy now aims to give farmers in the Andes a wider range of economic opportunities. In addition to introducing new crops, American aid officials are seeking to end the economic isolation of the Andes and to eliminate government barriers to agricultural exports.

At the same time, the United States hopes to undercut the appeal of the Shining Path among the urban poor. American food aid in 1994 helped feed one out of seven Peruvians, while health programs focused on saving the lives of children and reducing population growth.

Most economists believe that Peru is making headway in the area of economic reform, and credit U.S. assistance with smoothing the path of change. From the perspective of America's streets, however, the fight against international drug trafficking has had little impact. After investing $2.2 billion to combat cocaine in Peru, Colombia, and Bolivia from 1990 to 1994, the supply of drugs reaching the United States has hardly slowed.

Conclusion

In the coming days, you will have an opportunity to consider a range of alternatives for U.S. policy toward the developing world. Each of the three viewpoints, or options, that you will explore is based on a distinct set of values and beliefs. Each takes a different perspective on our country's role in the world and the effectiveness of foreign aid and trade measures in promoting economic development. You should think of the options as a tool designed to help you better understand the contrasting strategies from which Americans must craft future policy. At the end of this unit, you will be asked to make your own choices about where U.S. policy should be heading.

Options in Brief

Option 1 — Share the American Dream

As never before, the United States today has an opportunity to spread democratic values and free-market economic principles worldwide. The United States cannot turn its back on this crucial moment of history. The United States must take a leadership role in aiding developing countries. After committing trillions of dollars to winning the Cold War, we would be foolish not to spend a few billion to give our victory real meaning. The United States has more to gain, especially in economic terms, from the success of the global free-market, democratic revolution than any other country. Our foreign aid priorities should be changed to meet the challenges ahead. The United States should focus its aid dollars on countries where democratic and free-market reforms hang in the balance.

Option 2 — Join Hands for a Better World

The challenges facing the planet demand cooperation. Americans cannot fence themselves off from the suffering outside of their borders. Rather, we have to join with other nations to make the world a better place. The UN is in a unique position to lead the way. The United States should play a leading role in supporting an international effort to improve life in the developing world. The developing world has long served as a source of minerals, tropical commodities, and cheap labor. Now the time has come to share the wealth. The people of developing countries have to be part of the decision-making process to promote sound, sustainable development. We cannot afford to ignore the problems of a planet that is growing ever smaller.

Option 3 — Put America First

For decades, U.S. foreign policy has been weighed down by the illusion that the United States could change the world. Now the time has come to recognize the lessons of recent history. American assistance has done little to relieve the poverty and misery that haunt much of the developing world. The United States should cut back on its spending abroad. Our limited resources should be targeted on promoting U.S. interests overseas, not on chasing hopeless dreams. Only foreign aid programs that are designed to meet specific American needs have a place in the U.S. budget. The rest should be cut. The United States has too many problems of its own to throw money at the problems of other countries. We owe it to our own citizens to acknowledge that charity begins at home.

Option 1

SHARE THE AMERICAN DREAM

As never before, the United States today has an opportunity to spread democratic values and free-market economic principles worldwide. The last decade has witnessed an unprecedented rush toward democracy and the free market. Neither Soviet communism nor the closed economic models of the Third World offer an alternative to our own political and economic system. Even the countries of the former Soviet bloc have embraced American values. The United States cannot turn its back on this crucial moment of history. The peoples of the developing world are looking to us to guide them to a brighter future.

The United States must take a leadership role in aiding developing countries. To ease the transition toward democracy and the free market, Americans must be willing to devote a small share of our enormous resources to foreign aid. After committing trillions of dollars to winning the Cold War, we would be foolish not to spend a few billion to give our victory real meaning. The United States has more to gain, especially in economic terms, from the success of the global free-market, democratic revolution than any other country. Our foreign aid priorities should be changed to meet the challenges ahead. Without the communist menace to combat, we no longer need to pay off tyrants and turn a blind eye to human rights abuses. On the contrary, the United States should focus its aid dollars on countries where democratic and free-market reforms hang in the balance. Recipients of U.S. aid should be prodded to open their economies to free-market competition. American assistance should be used as a lever to promote fair elections, an independent press, women's rights, and other important elements of a free society. The historic changes that are today sweeping the planet will largely determine the future of billions of people. As Americans, we must recognize that we have an enormous stake in this process.

What guidelines should we follow?

Goals and methods: The United States should encourage free-market economics, democracy, and other fundamental American values in the developing world. U.S. aid should be used as a tool to promote positive change and broaden the international trading system. Assistance should be denied to governments that violate human rights or block the path to economic reform. To create fairer, more just societies, we should press for the rights of women and minority groups.

Spending priorities: U.S. aid should be concentrated on developing countries that have shown a commitment to economic reform and democracy. Spending on economic aid should be increased, while security assistance should be reduced. Overall spending on U.S. foreign aid should increase to $20 billion annually.

Policy steps: The United States should emphasize aid programs that develop laws and regulations necessary for a free-market economic system, ensure fair elections, promote the rights of women and minority groups, spur the creation of small businesses, and control population growth. The United States should lower trade barriers and cancel debts to reward countries that make the most progress toward economic reform and democracy. We should also use our influence to press the UN, the IMF, and the World Bank to adopt policies similar to our own.

Permission granted for duplication

PROS

SUPPORTING ARGUMENTS

1. Increasing the number of countries that share the values of free-market economics and democracy will advance the cause of international peace.

2. Investing in the development of emerging free-market economies will pay off in the form of new trade and investment opportunities for Americans.

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3. Helping improve life in developing countries will reduce anti-American feelings overseas and restore America's position of international leadership.

CONS

OPPOSING ARGUMENTS

1. By acting alone in aiding the developing world, the United States will undermine international cooperation in addressing global problems, such as environmental crises, the spread of nuclear weapons, and AIDS.

2. Pressuring poor countries to accept our political and economic values will trigger an anti-American backlash in the developing world.

3. Closing down foreign aid programs in countries with non-democratic governments only punishes the poor, not the people in power.

4. Failure to coordinate our foreign aid efforts with those of other developed countries and the UN will create confusion and inefficiency in the developing world.

5. Imposing rigid economic reform programs on developing countries will worsen living conditions for the poorest of the poor and push many societies beyond the breaking point.

Option 2

JOIN HANDS FOR A BETTER WORLD

The challenges facing the planet demand cooperation. Whether it is the destruction of the rain forest in the Amazon Basin, a deadly epidemic in central Africa, or a refugee crisis in South Asia, problems around the world affect us all. Americans cannot fence themselves off from the suffering outside of their borders. Rather, we have to join with other nations to make the world a better place. The UN is in a unique position to lead the way. With the divisions of the Cold War gone, the member states of the UN are now able to work together to reduce poverty worldwide. The UN's campaign for sustainable economic development is gaining acceptance as a common goal for humanity.

The United States should play a leading role in supporting an international effort to improve life in the developing world. That does not mean that we should run roughshod over the beliefs and traditions of peoples in developing countries. For centuries, the relationship between rich and poor nations has too often been marked by exploitation. The developing world has long served as a source of minerals, tropical commodities, and cheap labor. Now the time has come to share the wealth. The people of developing countries have to be part of the decision-making process to promote sound, sustainable development. The protection of the environment must be balanced with the need for economic growth. The drive to increase exports must not come at the expense of small farmers or traditional cultures. Contributing to successful development programs will require us to increase our foreign aid budget, but the cost of doing nothing is far greater. We cannot afford to ignore the problems of a planet that is growing ever smaller.

What guidelines should we follow?

Goals and methods: The United States should cooperate with other nations through the UN to promote sustainable development in the developing world. Priority should go toward helping the poorest of the world's poor. International aid programs should be designed to conform with the beliefs and traditions of recipient countries. Rapid economic and political reform should be rejected if the resulting social changes would be too disruptive. Likewise, economic growth should not cause environmental harm.

Spending priorities: The U.S. foreign aid budget should be channeled into UN programs. Spending priorities should be set by the member states of the UN. U.S. military aid should be phased out. Overall spending on U.S. foreign aid should increase to $30 billion annually.

Policy steps: The United States should encourage the UN to emphasize aid programs that improve basic health care, enhance child nutrition, increase the output of small farmers, and protect the environment. The United States should press for changes in international trade rules to promote exports from developing countries. The United States also should work with other developed countries, as well as with the IMF and the World Bank, to reduce the debt burden of the developing world.

Permission granted for duplication

PROS

SUPPORTING ARGUMENTS

1. Involving developing countries in the design of assistance programs will ensure that foreign aid effectively and efficiently meets vital human needs.

2. Strengthening international cooperation is our only hope for solving global problems — such as environmental crises, the spread of nuclear weapons, and AIDS — that extend beyond national boundaries.

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3. By promoting global cooperation, the United States will once and for all do away with its image as an international bully and gain greater respect from other nations.

CONS

OPPOSING ARGUMENTS

1. Giving aid to the rulers of developing countries with few strings attached will serve to prop up corrupt, dictatorial regimes that oppose reform.

2. Turning over greater authority to the UN will pump new life into an organization long known for its waste and mismanagement, and weaken the international influence of the United States.

3. Providing more handouts to the people of the developing world will undermine the spirit of self-reliance and initiative that the poor need to lift themselves out of poverty.

4. Adding billions to the foreign aid budget will draw money away from urgent problems here at home, such as crime, health care, and the budget deficit.

5. Emphasizing sustainable development over economic reform will give officials in the developing world an excuse to maintain government control over their economies.

Option 3

Put America First

For decades, U.S. foreign policy has been weighed down by the illusion that the United States could change the world. Now the time has come to recognize the lessons of recent history. American assistance has done little to relieve the poverty and misery that haunt much of the developing world. Rather, most of our foreign aid since World War II has been squandered on corrupt, incompetent dictators. Countries that have made progress toward prosperity have moved forward because of their own initiative, not due to outside help. Tearing down past illusions may be painful, but admitting the truth is the first step toward developing sound policy.

The United States should cut back on its spending abroad. Our limited resources for programs overseas should be targeted on promoting U.S. interests, not on chasing hopeless dreams. Only foreign aid projects that are designed to meet specific American needs have a place in the U.S. budget. The rest should be cut. U.S. assistance, for example, should be directed toward opening markets for American exports and strengthening key military alliances. Projects that aim to dismantle nuclear weapons in the former Soviet Union or stop the spread of AIDS should be given high priority. In the meantime, we should give up on the notion of development aid. Meddling in other societies seldom produces the desired results, and often triggers a backlash against the United States. Working through the UN and other international organizations only compounds the waste and inefficiency. The United States has too many problems of its own to throw money at the problems of other countries. We owe it to our own citizens to acknowledge that charity begins at home.

What guidelines should we follow?

Goals and methods: The United States should use foreign aid to promote its security and trade interests. U.S. aid should serve to reward our allies. Countries that act against U.S. interests should be denied American aid, except for emergency relief. Recipients of U.S. aid should be required to spend the funds they receive on American goods and services.

Spending priorities: U.S. aid should be limited to a few key military allies and important trading partners in the developing world. Assistance should also be provided to prevent crises that would directly affect the United States. For example, the United States should take an active role in stabilizing Caribbean and Central American countries, such as Haiti, that are most likely to be a source of refugees seeking entry into United States. Overall spending on U.S. foreign aid should decrease to $8 billion annually.

Policy steps: The United States should emphasize aid programs that dismantle nuclear weapons in the former Soviet Union, strengthen the defense of key U.S. allies, and introduce American products to potential trading partners in the developing world. We should also use our influence with the IMF and the World Bank to ensure that they press developing countries to repay their debts.

PROS

SUPPORTING ARGUMENTS

1. Cutting off U.S. foreign aid will force many countries to seriously undertake economic reform and reduce government waste.

2. Trimming the foreign aid budget will free up resources needed to solve problems here in the United States.

3. Concentrating U.S. foreign aid on countries in which we have a clear interest will allow us to stretch our tax dollars further.

CONS

OPPOSING ARGUMENTS

1. Selfishly pursuing our own interests in the developing world will undercut the ability of the UN to deal with global problems, such as the population explosion, environmental pollution, and the spread of AIDS.

2. Cutting back our foreign aid programs at a time when billions of people in the developing world need our help will bring down the U.S. position of international leadership.

3. Denying aid to reform-minded governments in the developing world will reverse the global momentum toward democracy and the free-market economic system.

4. Closing down foreign aid operations in some of the world's most desperate countries will open the door to famine and chaos, and will eventually require a costly emergency response by the international community.

5. Abandoning our commitments to the UN and other international organizations will spark resentment among our closest allies and damage our international reputation.

Focusing Your Thoughts

Instructions: You have had an opportunity to consider three options for U.S. policy toward the developing world. Now it is your turn to look at each of the options from your own perspective. Try each one on for size. Think about how the options address your concerns and hopes. You will find that each has its own risks and trade-offs, advantages and disadvantages. After you complete this worksheet, you will be asked to develop your own option on this issue.

Ranking the Options

Which of the options below do you prefer? Keep in mind that the beliefs you support most strongly should guide your choice. Rank the options from "1" to "3," with "1" being your first choice.

___ **Option 1: Share the American Dream**

___ **Option 2: Join Hands for a Better World**

___ **Option 3: Put America First**

Beliefs

Rate each of the statements below according to your personal beliefs:

1 = Strongly Support 3 = Oppose 5 = Undecided
2 = Support 4 = Strongly Oppose

___ Meddling in the development of other societies is counter-productive and dangerous.

___ Changing outmoded traditions and backward customs is in the best interests of people in developing countries.

___ The problems of developing countries are America's problems too, and can be solved only through global cooperation.

___ Economic growth is a worthwhile goal only if it fits into a long-term plan to protect the environment and the larger society.

___ Competition is, and will continue to be, the driving force of international relations.

___ The greatest threats facing the United States are all at home: budget deficits, mediocre schools, crime, and an inadequate health care system.

___ Aid programs rob people of their initiative and chip away at their dignity.

___ Democracy and the free-market economic system should serve as the foundation for all societies.

___ As citizens of the richest country in the world, Americans have an obligation to improve the lives of the world's poor.

Creating Your Own Option

Your next assignment is to create an option that reflects your own beliefs and opinions. You may borrow heavily from one option, or you may combine ideas from two options. Or you may take a new approach altogether. There are, of course, no perfect solutions. And there is no right or wrong answer. Rather, you should strive to craft an option that is logical and persuasive. Be careful of contradictions. For example, we should not channel most of our foreign aid budget into UN programs if we want to use foreign aid as a tool to promote democracy and free-market economic principles.

Supplementary Document

President John F. Kennedy's Message to Congress on Foreign Aid, 1961

(In the following speech, delivered on March 22, 1961, President Kennedy laid out the principles and organizational structure that were to set the course of U.S. foreign aid policy for the remainder of the Cold War and lead to the creation of AID.)

This Nation must begin any discussion of "foreign aid" in 1961 with the recognition of three facts:

1. Existing foreign aid programs and concepts are largely unsatisfactory and unsuited for our needs and for the needs of the underdeveloped world as it enters the 1960s

2. The economic collapse of those free but less-developed nations which now stand poised between sustained growth and economic chaos would be disastrous to our national security, harmful to our comparative prosperity, and offensive to our conscience.

3. There exists, in the 1960s, a historic opportunity for a major economic assistance effort by the free industrialized nations to move more than half the people of the less-developed nations into self-sustained economic growth, while the rest move substantially closer to the day when they, too, will no longer have to depend on outside assistance.

I

Foreign aid — America's unprecedented response to world challenges — has not been the work of one party or one administration. It has moved forward under the leadership of two great Presidents — Harry Truman and Dwight Eisenhower — and drawn its support from forward-looking members of both political parties in the Congress and throughout the Nation.

Our first major foreign aid effort was an emergency program of relief—of food and clothing and shelter—to areas devastated by World War II. Next we embarked on the Marshall Plan—a towering and successful program to rebuild the economies of Western Europe and prevent a Communist takeover. This was followed by point 4 — an effort to make scientific aid and technological advances available to the people of developing nations. And recently the concept of development assistance, coupled with the OECD [Organization for Economic Cooperation and Development], has opened the door to a united free world effort to assist the economic and social development of the less-developed areas of the world.

To achieve this new goal we will need to renew the spirit of common effort which lay behind our past efforts — we must also revise our foreign aid organization, and our basic concepts of operation to meet the new problems which now confront us.

For no objective supporter of foreign aid can be satisfied with the existing program — actually a multiplicity of programs. Bureaucratically fragmented, awkward and slow, its administration is diffused over a haphazard and irrational structure covering at least four departments and several other agencies. The program is based on a series of legislative measures and administrative procedures conceived at different times and for different purposes, many of them now obsolete, inconsistent, and unduly rigid and thus unsuited for our present needs and purposes. Its weaknesses have begun to undermine confidence in our effort both here and abroad.

The program requires a highly professional skilled service, attracting substantial numbers of high-caliber men and women capable of sensitively dealing with other governments, and with a deep understanding of the process of economic development. However, uncertainty and declining public prestige have all contributed to a fall in the morale and efficiency of those employees in the field and are repeatedly frustrated by the delays and confusion caused by overlapping agency jurisdictions and unclear objectives. Only the persistent efforts of those dedicated and hard-working public servants, who have kept the program going, managed to bring some success to our efforts overseas.

In addition, uneven and undependable short-term financing has weakened the incentive for the long-term planning and self-help by the recipient nations which are essential to serious economic development. The lack of stability and continuity in the program — the necessity to accommodate all planning to a yearly deadline — when combined with a confusing multiplicity of American aid agencies within a single nation abroad — have reduced the

effectiveness of our own assistance and made more difficult the task of setting realistic targets and sound standards. Piecemeal projects, hastily designed to match the rhythm of the fiscal year, are no substitute for orderly long-term planning. The ability to make long-range commitments has enabled the Soviet Union to use its aid program to make developing nations economically dependent on Russian support — thus advancing the aims of world communism.

Although our aid programs have helped to avoid economic chaos and collapse, and assisted many nations to maintain their independence and freedom — nevertheless, it is a fact that many of the nations we are helping are not much nearer sustained economic growth than they were when our aid operation began. Money spent to meet crisis situations or short-term political objectives while helping to maintain national integrity and independence has rarely moved the recipient nation toward greater economic stability.

II

In the face of these weaknesses and inadequacies — and with the beginning of a new decade of new problems — it is proper that we draw back and ask with candor a fundamental question: Is a foreign aid program really necessary? Why should we not lay down this burden which our Nation has now carried for some 15 years?

The answer is that there is no escaping our obligations: our moral obligations as a wise leader and good neighbor in the interdependent community of free nations — our economic obligations as the wealthiest people in a world of largely poor people, as a nation no longer dependent on the loans from abroad that once helped to develop our own economy — and our political obligations as the single largest counter to the adversaries of freedom.

To fail to meet those obligations now would be disastrous; and, in the long run, more expensive. For widespread poverty and chaos lead to a collapse of existing political and social structures, which would inevitably invite the advance of totalitarianism into every weak and unstable area. Thus our own security would be endangered and our prosperity imperiled. A program of assistance to the underdeveloped nations must continue because the Nation's interest and the cause of political freedom require it.

We live at a very special moment in history. The whole southern half of the world — Latin America, Africa, the Middle East, and Asia — are caught up in the adventures of asserting independence and modernizing their old ways of life. These new nations need aid in loans and technical assistance just as we in the northern half of the world drew successively on one another's capital and know-how as we moved into industrialization and regular growth.

But in our time these new nations need help for a special reason. Without exception they are under Communist pressure. In many cases, the pressure is direct and military. In others, it takes the form of intense subversive activity designed to break down and supersede the new — and often frail — modern institutions they have thus far built.

But the fundamental task of our foreign aid program in the 1960s is not negatively to fight communism: Its fundamental task is to help make a historical demonstration that in the 20th century, as in the 19th — in the southern half of the globe as in the north — economic growth and political democracy can develop hand in hand.

In short we have not only obligations to fulfill; we have great opportunities to realize. We are, I am convinced, on the threshold of a truly united and major effort by the free industrialized nations to assist the less-developed nations on a long-term basis. Many of these less-developed nations are on the threshold of achieving sufficient economic, social, and political strength and self-sustained growth to stand permanently on their own feet. The 1960s can be — and must be — the crucial "decade of development" — the period when many less-developed nations make the transition into self-sustained growth — the period in which an enlarged community of free, stable, and self-reliant nations can reduce world tensions and insecurity. This goal is in our grasp if, and only if, the other industrialized nations now join us in developing with the recipients a set of commonly agreed criteria, a set of long-range goals, and a common undertaking to meet those goals, in which each nation's contribution is related to the contributions of others and to the precise needs of each less-developed nation. Our job, in its largest sense, is to create a new partnership between the northern and southern halves of the world, to which all free nations can contribute, in which each free nation must assume a responsibility proportional to its means.

We must unite the free industrialized nations in

a common effort to help those nations within reach of stable growth get underway. And the foundation for this unity has already been laid by the creation of the OECD under the leadership of President Eisenhower. Such a unified effort will help launch the economies of the newly developing countries "into orbit" — bringing them to a stage of self-sustained growth when extraordinary outside assistance is not required. If this can be done — and I have every reason to hope it can be done — then this decade will be a significant one indeed in the history of free men.

But our success in achieving these goals, in creating an environment in which the energies of struggling peoples can be devoted to constructive purposes in the world community — and our success in enlisting a greater common effort toward this end on the part of other industrialized nations — depends to a large extent upon the scope and continuity of our own efforts. If we encourage recipient countries to dramatize a series of short-term crises as a basis for our aid — then we will dissipate our funds, our good will and our leadership. Nor will we be any nearer to either our security goals or to the end of the foreign aid burden.

In short, this Congress at this session must make possible a dramatic turning point in the troubled history of foreign aid to the underdeveloped world. We must say to the less-developed nations, if they are willing to undertake necessary internal reform and self-help — and to the other industrialized nations, if they are willing to undertake a much broader effort on a much broader scale — that we then intend during this coming decade of development to achieve a decisive turnaround in the fate of the less-developed world, looking toward the ultimate day when all nations can be self-reliant and when foreign aid will no longer be needed.

However, this will not be an easy task. The magnitude of the problems is staggering. In Latin America, for example, population growth is already threatening to outpace economic growth — and in some parts of the continent living standards are actually declining. In 1945 the population of our 20 sister American Republics was 145 million. It is now greater than that of the United States, and by the year 2000, less than 40 years away, Latin American population will be 592 million, compared with 312 for the United States. Latin America will have to double its real income in the next 30 years simply to maintain already low standards of living. And the problems are no less serious or demanding in the other developing areas of the world. Thus to bring real economic progress to Latin America and to the rest of the less-developed world will require a sustained and united effort on the part of the Latin American Republics, the United States, and our free world allies.

This will require leadership, by this country in this year. And it will require a fresh approach — a more logical, efficient, and successful long-term plan — for American foreign aid. I strongly recommend to the Congress the enactment of such a plan, as contained in a measure to be sent shortly to the Congress and described below.

III

If our foreign aid funds are to be prudently and effectively used, we need a whole new set of basic concepts and principles:

1. Unified administration and operation — a single agency in Washington and the field, equipped with a flexible set of tools, in place of several competing and confusing aid units.

2. Country plans — a carefully thought through program tailored to meet the needs and the resource potential of each individual country, instead of a series of individual, unrelated projects. Frequently, in the past, our development goals and projects have not been undertaken as integral steps in a long-range economic development program.

3. Long-term planning and financing — the only way to make meaningful and economical commitments.

4. Special emphasis on development loans repayable in dollars — more conducive to business-like relations and mutual respect than sustaining grants or loans repaid in local currencies, although some instances of the latter are unavoidable.

5. Special attention to those nations most willing and able to mobilize their own resources, make necessary social and economic reforms, engage in long-range planning, and make the other efforts necessary if these are to reach the stage of self-sustaining growth.

6. Multilateral approach — a program and level of commitments designed to encourage and complement an increased effort by other industrialized nations.

7. A new agency with new personnel — drawing

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upon the most competent and dedicated career servants now in the field, and attracting the highest quality from every part of the Nation.

8. Separation from military assistance — our program of aid to social and economic development must be seen on its own merits, and judged in the light of its vital and distinctive contribution to our basic security needs.

IV

I propose that our separate and often confusing aid programs be integrated into a single administration embracing the present Washington and field operations of —

A. The International Cooperation Administration [ICA] and all its technical assistance [point 4] and other programs;

B. The Development Loan Fund [DLF];

C. The food-for-peace program [Public Law 480] in its relations with other countries, while also recognizing its essential role in our farm economy;

D. The local currency lending activities of the Export-Import Bank;

E. The Peace Corps, recognizing its distinctive contribution beyond the area of economic development;

F. The donation of nonagricultural surpluses from other national stockpiles of excess commodities or equipment;

G. All other related staff and program services now provided by the Department of State as well as the ICA.

The fieldwork in all these operations will be under the direction of a single mission chief in each country reporting to the American ambassador. This is intended to remove the difficulty which the aided countries and our own field personnel sometimes encounter in finding the proper channel of decision making. Similarly, central direction and final responsibility in Washington will be fixed in an administrator of a single agency — reporting directly to the Secretary of State and the President — working though Washington directors for each major geographical area, and through the directors of the constituent resource units whose functions are drawn together in each national plan: a development lending organization, food-for-peace, the Peace Corps, and a unit for technical and other assistance stressing education and human resources — initiating a program of research, development, and scientific evaluation to increase the effectiveness of our aid effort; and, in addition, the Secretary of State will coordinate with economic aid the military assistance program administered by the Department of Defense, the related operations of the Export-Import Bank, and the role of the United States in the Inter-American Fund for Social Progress and activities of international organizations.

Under the jurisdiction of both the Secretary of State in Washington and the ambassadors in the field, foreign aid can more effectively play its part as an effective instrument of our overall efforts for world peace and security. The concentration of responsibilities and increased status will both require and attract high-caliber personnel. Programs such as the Peace Corps and food-for-peace, far from being submerged, will be used more effectively and their distinctive identity and appeal preserved — and food-for-peace will continue to be based on availabilities determined by the Department of Agriculture.

But I am not proposing merely a reshuffling and relabeling of old agencies and their personnel without regard to their competence. I am recommending the replacement of these agencies with a new one — a fresh start under new leadership.

V

But new organization is not enough. We need a new working concept.

At the center of the new effort must be national development programs. It is essential that the developing nations set for themselves sensible targets; that these targets be based on balanced programs for their own economic, education, and social growth — programs which use their own resources to the maximum. If planning assistance is required, our own aid organization will be prepared to respond to requests for such assistance, along with the International Bank for Reconstruction and Development and other international and private institutions. Thus, the first requirement is that each recipient government seriously undertake to the best of its ability on its own those efforts of resource mobilization, self-help, and internal reform — including land reform, tax reform, and improved education and social justice — which its own development requires and which would increase its capacity to absorb external capital productively.

These national development programs — and the kind of assistance the free world provides — must be tailored to the recipients' current stage of development and their foreseeable potential. A large infusion of development capital cannot now be absorbed by many nations newly emerging from a wholly underdeveloped condition. Their primary need at first will be the development of human resources, education, technical assistance, and the groundwork of basic facilities and institutions necessary for further growth. Other countries may possess the necessary human and material resources to move toward status as developing nations, but they need transitional assistance from the outside to enable them to mobilize those resources and move into the more advanced stage of development where loans can put them on their feet. Still others already have the capacity to absorb and effectively utilize substantial investment capital.

Finally, it will be necessary, for the time being, to provide grant assistance to those nations that are hard pressed by external or internal pressure so that they can meet those pressures and maintain their independence. In such cases it will be our objective to help them, as soon as circumstances permit, make the transition from instability and stagnation to growth; shifting our assistance as rapidly as possible from a grant to a development loan basis. For our new program should not be based merely on reaction to Communist threats or short-term crises. We have a positive interest in helping less-developed nations provide decent living standards for their people and achieve sufficient strength, self-respect, and independence to become self-reliant members of the community of nations. And thus our aid should be conditioned on the recipients' ability and willingness to take the steps necessary to reach that goal.

To meet the varied needs of many nations, the new aid administration will have a flexible set of tools, coordinated and shaped to fit each national development program: the grant or sale (for either local currency or dollars with special repayment terms) of surplus foods, equipment and other items; technical assistance; skilled manpower from the Peace Corps; development grants; transitional, sustaining, or emergency grants; development loans repayable in dollars, with special terms of repayment that will meet the needs of the recipient country. These tools will be coordinated with the activities of the Export-Import Bank, and with loan and investment guarantees to private enterprise.

The instrument of primary emphasis — the single most important tool — will be long-term development loans at low or no rates of interest, repayable in dollars, and designed to promote growth in those less-developed nations which have a real chance for ultimate self-reliance but which lack the ability to service loans from normal lending institutions. The terms of repayment will vary from as long as 50 years for those countries just starting on the road to development, to a much shorter period of time for those countries that are nearing the stage of self-sufficient growth.

Such long-term loans are preferable to outright grants, or "soft loans" repayable in local currencies that are of little benefit to the American taxpayer. The emphasis on low or interest-free loans is not designed to undercut other institutions. The objective is to rely on flexibility in the repayment period and the requirement of ultimate dollar repayment for insuring strict accountancy while meeting individual needs in an area not met by suppliers of capital on normal terms.

Lending on these terms is not normal banking practice. We are banking on the emergence over coming years and decades of a group of independent, growing, self-reliant nations.

VI

A program based on long-range plans instead of short-run crises cannot be financed on a short-term basis. Long-term authorization, planning, and financing are the key to the continuity and efficiency of the entire program. If we are unwilling to make such a long-term commitment, we cannot expect any increased response from other potential donors or any realistic planning from the recipient nations.

I recommend, therefore, an authorization for the new aid agency of not less than five years, with borrowing authority also for five years to commit and make dollar repayable loans within the limits spelled out below. No other step would be such a clear signal of our intentions to all the world. No other step would do more to eliminate the restrictions and confusion which have rendered the current foreign aid program so often ineffective. No other step would do more to help obtain the service of top-flight personnel. And in no other way can we encourage the less-developed nations to make a sustained national effort over a long-term period.

For, if we are to have a program designed to

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brighten the future, that program must have a future. Experience has shown that long-range needs cannot be met evenly and economically by a series of one-year programs. Close consultation and cooperation with the Congress and its committees will still be essential, including an annual review of the program.

And we will still need annual appropriations of those amounts needed to meet requirements for which dollar repayable loans would be unsuitable. These appropriations should be available until spent in order to avoid any wasteful rush to obligate funds at the end of a fiscal year.

The new continuity and flexibility this kind of long-term authority will bring cannot help but result in more productive criteria, a greater effort on the part of the developing nations, greater contributions from our more prosperous allies, more solid results, and real long-run economy to the taxpayers. The new emphasis on long-term plans and realistic targets will give both the Congress and the Executive a better basis for evaluating the validity of our expenditures and progress.

VII

A long-term program and borrowing authority, even though limited, will enable us to demonstrate the seriousness of our intentions to other potential donors and to the less-developed world. Over the next five years, the economic program here proposed, together with an expanded food-for-peace program as recommended in my agricultural messages, and project loans by the Export-Import Bank, will constitute direct U.S. economic assistance activity of considerable magnitude.

It will, however, take time to institute the new concepts and practices which are proposed. Thus, during this initial year, wile we will need to make the necessary long-term commitments for development lending, it is unnecessary to ask the Congress for any additional funding for this year's program.

Consequently, while the funds requested by my predecessor will be sharply shifted in terms of their use and purpose, I am asking the Congress for a total foreign aid budget of new obligational authority no greater than that requested in the rock-bottom budget previously submitted [$4 billion] despite the fact that the number of new nations needing assistance is constantly increasing; and, though increasing such authority for nonmilitary aid while reducing military assistance, this budget provides for a level of actual expenditures on nonmilitary aid no greater than reflected in the previous budget [$1.9 billion]. [These figures do not, of course, reflect Public Law 480 operations.]

In deciding on this program, I have also carefully considered its impact on our balance of payments. We are now putting maximum emphasis, in both our development lending and grant aid programs, on the procurement of goods and services of U.S. origin. As I pointed out in my message on the balance of payments, under present procedures not more than 20 percent of foreign economic aid expenditures will affect our balance of payments. This means that approximately $2 billion out of the requested $2.4 billion in economic aid will be spent directly for goods and services benefiting the American economy.

This is important. For not only do we have the highest gross national product, both total and per capita, of any country in the world, thus making clear both our obligations and our capacity to do our full part, but we are currently underutilizing our great economic capacity because of economic recession and slack. Less than 80 percent of our industrial capacity is now in use, and nearly 7 percent of our labor force is unemployed. Under these circumstances cutbacks in the foreign aid program would be felt not only in loss of economic progress and hope abroad but in loss of markets and income for business, labor, and agriculture at home.

In short, this program will not in whole or in part unbalance the previous budget in any fashion. Its impact on our balance of payments will be marginal. And its benefits for our domestic economy should not be overlooked.

The $4 billion previously requested for fiscal year 1962 will be reallocated under this new program as follows:

Military assistance will be reduced from the $1.8 billion requested to $1.6 billion, as discussed below.

Economic assistance, with a much greater portion going to development loans, a small increase in development grants, and a reduction in sustaining grants, will total $2.4 billion.

Of this $1.5 billion will be contained in the usual annual appropriation of new obligational authority to finance the part of the program that is not suitable for dollar development loans: grants for education, social progress and institutional development, the Peace

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Corps, and sustaining aid. Nine hundred million dollars will be available for long-term low or interest-free development loans to be repaid in dollars, financed through an authorization of public debt borrowing authority which would also provide no more than $1.6 billion for each of the succeeding four years. Also to be made available for such loans under the new system of full coordination will be the unappropriated dollar funds now coming in repayment of the principal and interest on certain previous loans to foreign governments [Britain, the Economic Cooperation Administration, the Government and Relief in Occupied Areas, and others — but not the Export-Import Bank].

VIII

The economic programs I am recommending in this message cannot succeed without peace and order. A vital element toward such stability is assurance of military strength sufficient to protect the integrity of these emerging nations while they are advancing to higher and more adequate levels of social and economic well-being.

I shall therefore request the Congress to provide at this time $1.6 billion for provision of military assistance. This figure is the amount to meet the U.S. share in maintaining forces that already exist, and to honor firm existing commitments for the future.

I am frank to say that we cannot now say with precision whether this amount will meet the minimum level of military aid which our basic security policy might demand this year. The emergence of new crises or new conflicts may require us to make an even greater effort.

However, while I have mentioned in this message the amount to be allocated to military assistance, those funds, while coordinated with the policies of the new agency, will not be administered by it and should not be included in its appropriation. In order to make clear the peaceful and positive purposes of this program, to emphasize the new importance this administration places on economic and social development quite apart from security interests, and to make clear the relation between the military assistance program and those interests, I shall propose a separate authorization for military assistance with appropriations as part of the defense budget. Moreover, to the extent that world security conditions permit, military assistance will in the future more heavily emphasize the internal security, civil works, and economic growth of the nations thus aided. By this shift in emphasis, we mean no lessening of our determination to oppose local aggression wherever it may occur. We have demonstrated our will and ability to protect free world nations — if they so desire — from the type of external threat with which many of them are still confronted. We will not fall short on this.

IX

The levels of which this new program is based are the minimum resulting from a hard reappraisal of each type of assistance and the needs of the less-developed world. They demonstrate both to the less-developed nations and to the other industrialized nations that this country will meet its fair share of effort necessary to accomplish the desired objective, and their effort must be greater as well. These are the rock-bottom minimum of funds necessary to do the job. To provide less would be wasteful, perhaps more wasteful, than to provide more. Certainly it would be wasteful to the security interest of the free world.

But I am hopeful that the Congress will not provide less. Assistance to our fellow nations is a responsibility which has been willingly assumed and fashioned by two great Presidents in the past, one from each party — and it has been supported by the leaders of both parties in both Houses who recognized the importance of our obligations.

I believe the program which I have outlined is both a reasonable and sensible method of meeting those obligations as economically and effectively as possible. I strongly urge its enactment by the Congress in full awareness of the many eyes upon us — the eyes of other industrialized nations, awaiting our leadership for a stronger united effort — the eyes of our adversaries, awaiting the weakening of our resolve in this new area of international struggle — the eyes of the poorer peoples of the world, looking for hope and help, and needing an incentive to set realistic long-range goals — and, finally, the eyes of the American people, who are fully aware of their obligations to the sick, the poor, and the hungry, wherever they may live. Thus, without regard to party lines, we shall take this step not as Republicans or as Democrats but as leaders of the free world. It will both befit and benefit us to take this step boldly. For we are launching a decade of development on which will depend, substantially, the kind of world in which we and our children shall live.

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Publications List

The Choices for the 21st Century Education Project develops curricula for high schools and colleges on current foreign policy issues and offers workshops, institutes, and in-service programs for high school teachers. Course materials place special emphasis on the importance of educating students in their participatory role as citizens. All units incorporate the work of academics and policymakers from a range of perspectives and are classroom tested prior to publication. A new unit is published every three months during the academic year, and all units are updated regularly. For current information on new titles and revisions, call the Choices Education Project at (401) 863-3155.

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CHOICES FOR THE 21ST CENTURY

Help, Handout, Or Hindrance: U.S. Support For The Developing World

ALTERNATIVES FOR PUBLIC DEBATE AND POLICY DEVELOPMENT

A program of the Thomas J. Watson Jr. Institute for International Studies

Brown University, Box 1948, Providence, RI 02912

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The Choices for the 21st Century Education Project is a program of the **Thomas J. Watson Jr. Institute for International Studies** at Brown University.

Thomas J. Biersteker
Director

Suggested Five-Day Lesson Plan

About the Choices Approach ii

Note to Teachers 1

Integrating This Unit into Your Classroom 2

DAY ONE — Contradictions of U.S. Aid Policy during the Cold War 3

Homework (before Day One): Part I of the background reading and "Study Guide — Part I"
Homework: Part II of the background reading and "Study Guide — Part II"

DAY TWO — Development Policy in the International Arena 7

DAY THREE — Role Playing the Three Options: Organization and Preparation 11

Homework: "Expressing Key Values"

DAY FOUR — Role Playing the Three Options: Debate and Discussion 16

Homework: "Focusing Your Thoughts" and "Your Option Four"

DAY FIVE — Joining the Debate on U.S. Policy 18

Alternative Three-Day Lesson Plan 23

Making Choices Work in Your Classroom 24

The Choices for the 21st Century Education Project is a program of the Thomas J. Watson Jr. Institute for International Studies at Brown University. Choices was established to help citizens think constructively about foreign policy issues, to improve participatory citizenship skills, and to encourage public judgment on policy priorities.

The Thomas J. Watson Jr. Institute for International Studies was established at Brown University in 1986 to serve as a forum for students, faculty, visiting scholars, and policy practitioners, who are committed to studying global problems and developing international initiatives to benefit society.

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About the Choices Approach

Choices for the 21st Century curricula are designed to make complex international issues understandable and meaningful for students. Using an innovative approach to student-centered instruction, Choices units develop critical thinking and civic judgment — essential ingredients of responsible citizenship.

Understanding the Significance of History: Each Choices unit provides students with a thorough introduction to the topic under consideration. Students gain an understanding of the historical background and the status of current issues. In this way, they see how history has shaped our world. With this foundation, students are prepared to thoughtfully consider a variety of perspectives on public policy.

Exploring Policy Alternatives: Each Choices unit is built around a framework of alternative policy options that challenges students to consider multiple perspectives and to think critically about the issue at hand. Students are best able to understand and analyze the options through a cooperative learning/role-play activity. In groups, students explore their assigned options and plan short presentations. The setting of the role-play may be a Congressional hearing, meeting of the National Security Council, or an election campaign forum. Student groups defend their policy options and, in turn, are challenged with questions from their classmates. The ensuing debate demands analysis and evaluation of the many conflicting values, interests, and priorities reflected in the options.

Exercising Civic Judgment: Armed with fresh insights from the role-play and debate, students are challenged to articulate original, coherent policy options that reflect their own values, priorities, and goals as individuals and citizens. Students' views can be expressed in letters to Congress or the White House, editorials for the school or community newspaper, persuasive speeches, or visual presentations.

Why Use the Choices Approach? Choices curricula are informed by current educational research about how students learn best. Studies have consistently demonstrated that students of all abilities learn best when they are actively engaged with the material rather than listening passively to a lecture. Student-centered instructional activities motivate students and develop higher-order thinking skills. However, some high school educators find the transition from lecture format to student-centered instruction difficult. Lecture is often viewed as the most efficient way to cover the required material. Choices curricula offer teachers a flexible resource for covering course material while actively engaging students and developing skills in critical thinking, persuasive writing, and informed citizenship. The instructional activities that are central to Choices units can be valuable components in any teacher's repertoire of effective teaching strategies. Each Choices unit includes student readings, a framework of policy options, suggested lesson plans, and resources for structuring cooperative learning, role-plays, and simulations. Students are challenged to:

- recognize relationships between history and current issues
- analyze and evaluate multiple perspectives on an issue
- understand the internal logic of a viewpoint
- engage in informed debate
- identify and weigh the conflicting values represented by different points of view
- reflect upon personal values and priorities surrounding an issue
- develop and articulate original viewpoints on an issue
- communicate in written and oral presentations
- collaborate with peers

Teachers who use Choices units say the collaboration and interaction that take place are highly motivating for students. Opportunities abound for students to contribute their individual talents to the group presentations in the form of political cartoons, slogans, posters, or characterizations. These cooperative learning lessons invite students to take pride in their own contributions and the group product, enhancing students' self-esteem and confidence as learners. Choices units offer students with diverse abilities and learning styles the opportunity to contribute, collaborate, and achieve.

Note to Teachers

Since the end of the Cold War, the configuration of international relations has radically changed. The collapse of the Soviet Union took with it the East-West conflict that dominated world affairs for more than four decades. In its place, the North-South division has emerged as the most important framework for reconceptualizing international relations. How the United States responds to the problems and challenges of the countries of the South will undoubtedly be a central question of U.S. foreign policy in the 21st century.

Help, Handout, or Hindrance: U.S. Support for the Developing World introduces students to many of the most important issues on the U.S. policy agenda for the developing world. At the core of the unit is a framework of three distinct options for U.S. policy toward developing countries. By exploring a wide-ranging spectrum of alternatives, students gain a deeper understanding of the values underlying specific policy recommendations. The background reading is intended to prepare students to thoughtfully consider the complexities of U.S. relations toward the developing world. Part I presents an overview of the goals, assumptions, and programs that set the tone of U.S. foreign aid during the Cold War. Part II summarizes the critical issues of U.S. development policy and examines U.S. assistance efforts in Central Europe, Africa, India, and Latin America.

Suggested Five-Day Lesson Plan: The Teacher's Resource Book accompanying *Help, Handout, or Hindrance: U.S. Support for the Developing World* contains a day-by-day lesson plan and student activities. The lesson plan opens with an examination of U.S. foreign aid efforts in Latin America during the 1960s to introduce students to the often contradictory goals of U.S. policy toward the developing world during the Cold War. The second day of the lesson plan allows students to reflect on U.S. development policy from the perspective of the developing world. The third and fourth days feature a simulation in which students assume the role of advocates for the three options. Finally, on the fifth day, students evaluate competing proposals offered by President Clinton and congressional Republicans on U.S. foreign aid policy. You may also find the "Alternative Three-Day Lesson Plan" useful.

The lesson plan offered in *Help, Handout, or Hindrance: U.S. Support for the Developing World* is a guide. Many teachers choose to devote additional time to certain activities. We hope that these suggestions help you in tailoring the unit to fit the needs of your classroom.

Integrating This Unit into Your Curriculum

Units produced by the Choices for the 21st Century Education Project are designed to be integrated into a variety of social studies courses. Below are a few ideas about where *Help, Handout, or Hindrance: U.S. Support for the Developing World* might fit into your curriculum.

Area Studies: Since the beginning of the Cold War, American policymakers and scholars have looked at the world as a collection of well-defined geographic regions. Secondary-level social studies textbooks generally share the same conceptual framework, guiding students through units on the Middle East, Latin America, South Asia, and other important regions. *Help, Handout, or Hindrance: U.S. Support for the Developing World* allows students to compare and contrast the regions of the developing world in a new light, while at the same time inviting them to re-examine the conceptual divisions they find in their textbooks. For example, should the boundaries of the Middle East now be extended into Central Asia? Which countries should be included in the region of Central Europe? What factors (e.g., religious, economic, geographic, etc.) are most useful in defining the regions of the world?

The Evolution of the Developing World: The terms "Third World" and "developing world" were first popularized in the 1950s as the divisions of the Cold War deepened and the process of decolonialization gained momentum. At the time, optimism ran high that the poor countries of Asia, Africa, and Latin America would be able to make rapid economic progress and help overcome the climate of international hostility engendered by the superpower conflict. *Help, Handout, or Hindrance: U.S. Support for the Developing World* provides a tool for studying the changing role of the developing world in global affairs since the 1950s. The topic is particularly relevant in an era when the axis of international relations has swung from East-West to North-South.

The Economics of Development: Since its emergence in the 1950s, the developing world has served as a testing ground for competing theories on economic development. Issues involving trade policy, the economic role of the state, the balance between industry and agriculture, and other areas of controversy have been played out in the economies of Asia, Africa, and Latin America. The recent success of East Asia's emerging "tigers" and Chile has, at least for the moment, favored advocates of free-market principles. Critics of free-market principles, however, continue to offer alternative models. *Help, Handout, or Hindrance: U.S. Support for the Developing World* helps students place the debate surrounding the economics of development in a broader context.

International Organizations: The United Nations and other key international organizations have increasingly become a forum for the developing world. UN-sponsored conferences in the 1990s on global environmental problems, population growth, and development have served to highlight the common concerns of developing countries and to raise the profile of their campaign for a greater voice in decision-making within the international community. At the same time, the expanded role of the IMF and the World Bank in promoting economic reform in the developed world has stirred growing resentment within poor nations. With the UN marking its 50th anniversary, *Help, Handout, or Hindrance: U.S. Support for the Developing World* affords students an opportunity to consider the future direction of international organizations.

Contradictions of U.S. Aid Policy during the Cold War

Objectives:

Students will:

- Analyze the conflicting goals that shaped U.S. aid policy during the Cold War.
- Evaluate the impact of the Alliance for Progress in Latin America.
- Identify the most significant passages of the speech under consideration.

Required Reading:

Before beginning the unit, students should have read Part I of the background reading and completed "Study Guide — Part I."

Handouts:

- "Formation of the Alliance for Progress" (page 5).
- "Results of the Alliance for Progress in El Salvador" (page 6).

In the Classroom:

1. Establishing the Context — Distribute "Formation of the Alliance for Progress" and "Results of the Alliance for Progress in El Salvador" to each student. Note that the "Formation of the Alliance for Progress" presents excerpts from a 1961 speech by President John Kennedy. (The speech in the Supplementary Document section was delivered by Kennedy nine days later.) Call on students to find passages in the first part of the background reading that explain U.S. foreign policy strategy at the time the Alliance for Progress was formed. Instruct them to quickly read the speech.

2. Reviewing Kennedy's Speech — Ask students to summarize the main themes of the speech. Why does Kennedy believe that the Americas have reached a crucial historical juncture? What vision of the United States do his words evoke? What dangers are implied? (Explain the references to Cuba and the Dominican Republic.) Which passages capture the idealism of the era? Call on students to identify the main goals, both economic and political, outlined in the speech. How are Latin American countries expected to contribute to a realization of the alliance's goals?

3. Drawing Conclusions — Instruct students to read "Results of the Alliance for Progress in El Salvador." How does the example of El Salvador illustrate the contradictions in the Alliance for Progress' goals? How did U.S. Cold War strategy shape the implementation of American aid programs in the country? Why were the results of the Alliance for Progress in El Salvador considered disappointing? Were the goals presented in Kennedy's speech realistic? Ask students to compare the international environment of the 1960s to that of today. How has U.S. foreign policy in Latin America changed since the end of the Cold War? Are the goals of the Alliance for Progress relevant to today's concerns?

Homework:

Students should read Part II of the background reading and complete "Study Guide — Part II."

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Name:

Study Guide — Part I
The Evolution of U.S. Foreign Aid

1. Why has the end of the Cold War prompted U.S. leaders to rethink our country's foreign aid policy?

2. What factors accounted for the success of the Marshall Plan?

3. How did U.S. Cold War strategy undermine the effectiveness of U.S. aid programs in the Third World?

4. Why did Israel and Egypt emerge as the leading recipients of U.S. foreign aid in the 1970s?

5. Explain the connection between the Arab oil embargo and the Third World debt crisis.

6. How did the economic policies of South Korea, Taiwan, and Chile differ from those of most other developing countries during the Cold War?

7. Why did U.S. efforts to promote development in the Caribbean Basin and Bangladesh spark opposition from American businesses?

Formation of the Alliance for Progress

(Below are excerpts from a speech delivered by President John F. Kennedy to announce the creation of the Alliance for Progress. The speech was given on March 13, 1961, to Latin American officials and members of Congress.)

...The genius of our scientists has given us the tools to bring abundance to our land, strength to our industry, and knowledge to our people. For the first time we have the capacity to strike off the remaining bonds of poverty and ignorance — to free our people for the spiritual and intellectual fulfillment which has always been the goal of our civilization.

Yet at this very moment of maximum opportunity, we confront the same forces which have imperiled America [the Western Hemisphere] throughout its history — the alien forces which once again seek to impose the despotisms of the Old World on the people of the New....

Throughout Latin America, a continent rich in resources and in the spiritual and cultural achievements of its people, millions of men and women suffer the daily degradations of poverty and hunger. They lack decent shelter or protection from disease. Their children are deprived of the education or the jobs which are the gateway to a better life. And each day the problems grow more urgent....

Therefore I have called on all people of the hemisphere to join in a new Alliance for Progress — *Alianza para Progreso* — a vast cooperative effort, unparalleled in magnitude and nobility of purpose, to satisfy the basic needs of the American people for homes, work and land, health and schools — *techo, trabajo y tierra, salud y escuela.*

First, I propose that the American republics begin on a vast new ten-year plan for the Americas, a plan to transform the 1960s into a historic decade of democratic progress....

And if we are successful, if our effort is bold enough and determined enough, then the close of this decade will mark the beginning of a new era in the American experience. The living standards of every American family will be on the rise, basic education will be available to all, hunger will be a forgotten experience, the need for massive outside help will have passed, most nations will have entered a period of self-sustaining growth, and though there will be still much to do, every American republic will be the master of its own revolution and its own hope and progress....

Thus if the countries of Latin America are ready to do their part, and I am sure they are, then I believe the United States, for its part, should help provide resources of a scope and magnitude sufficient to make this bold development plan a success — just as we helped to provide, against equal odds nearly, the resources adequate to help rebuild the economies of Western Europe. For only an effort of towering dimensions can ensure fulfillment of our plan for a decade of progress....

To achieve this goal political freedom must accompany material progress. Our Alliance for Progress is an alliance of free governments, and it must work to eliminate tyranny from a hemisphere in which it has no rightful place. Therefore let us express our special friendship to the people of Cuba and the Dominican Republic, and the hope that they will soon rejoin the society of free men, uniting with us in common effort.

This political freedom must be accompanied by social change. For unless necessary social reforms, including land and tax reform, are freely made — unless we broaden the opportunity for all of our people — unless the great mass of Americans share in increasing prosperity — then our alliance, our revolution, our dream, and our freedom will fail....

Results of the Alliance for Progress in El Salvador

The Alliance for Progress was formed at a crucial moment in U.S. relations with Latin America. In the months leading up to President John F. Kennedy's speech, Fidel Castro had taken his first steps to establishing communism in Cuba, and Soviet leader Nikita Khrushchev had voiced his enthusiasm for spreading communist revolution to other countries in Latin America.

President Kennedy hoped the Alliance for Progress would block the advance of communism in Latin America by raising the level of economic prosperity in the region. Over the next decade, the United States contributed nearly $20 billion to the program.

From the outset, however, the Alliance for Progress was torn by contradictions. On the one hand, economic development in Latin America required deep-seated political and economic reform. On the other hand, U.S. officials feared that change would threaten stability and open the door to communist revolution. The dilemma facing U.S. policymakers is evident in the alliance's record in El Salvador.

U.S. aid officials recognized that land reform was critical to El Salvador's progress. They also recommended new laws to require the country's upper class to contribute more in taxes. Such measures, however, were fiercely opposed by the handful of families that had dominated El Salvador since Spanish colonial rule. Although they represented less than 1 percent of the population, El Salvador's wealthy elite controlled half the country's farmland.

During the 1960s, the United States supported a conservative dictatorship in El Salvador that upheld the privileges of the wealthy. Alliance for Progress funds were used to develop new export crops, such as sugar and vegetable oil, and expand cattle ranching. El Salvador's coffee industry — by far the country's most important export — was modernized. U.S. aid also helped build new factories to take advantage of El Salvador's abundant supply of cheap labor. The growth rate of El Salvador's economy in the 1960s reached 12 percent a year — one of the highest rates in the world.

Many Salvadorans, however, did not see the benefits of economic growth. While the output of export crops rose in the 1960s, the production of staple foods, such as corn and beans, declined. Efforts to establish a minimum wage of $1 a day failed in the legislature. By 1975, 40 percent of El Salvador's farmers had lost their land.

Hundreds of thousands of Salvadorans moved to the cities in the 1960s. In addition, 10 percent of the population crossed the border into Honduras, sparking a brief war between the two countries in 1969. In response to the fighting, U.S. aid officials devoted new resources to increasing food production. The shift in policy improved the productivity of small farmers, but the gap between the rich and the poor remained enormous.

The results of the Alliance for Progress' first decade were largely disappointing. U.S. officials were forced to concede that the lives of the great majority of Salvadorans had not improved in the 1960s. Meanwhile, at least one important revolutionary movement had taken root in El Salvador. Many Salvadorans came to be believe that change would come only through violence. Within a few years, the country would be caught up in one of Latin America's bloodiest civil wars.

Development Policy in the International Arena

Objectives:

Students will:

- Consider the ramifications of U.S. policy from the perspective of developing countries.
- Assess the problems and challenges facing the developing world.
- Collaborate with classmates to develop persuasive group presentations.

Required Reading:

Students should have read Part II of the background reading and completed "Study Guide — Part II."

Handouts:

- "Perspectives from the Developing World — Recipient Countries" (pages 9).
- "Perspectives from the Developing World — U.S. Officials" (page 10).

In the Classroom:

1. Assigning Group Roles — Form four groups of three to six students. Assign each group one of the four developing countries (Poland, Senegal, India, or Peru) featured in Part II of the background reading and distribute "Perspectives from the Developing World — Recipient Countries" to the group members. Distribute "Perspectives from the Developing World — U.S. Officials" to the remaining students. Instruct the country groups to quickly organize their presentations. (See "Perspectives from the Developing World — Recipient Countries.") At the same time, students serving on the panel of U.S. officials should review Part II of the background reading.

2. Clarifying Issues — After the country groups have completed their preparations, call on a spokesperson for each group to deliver the presentation for his or her assigned country. Encourage panel members to ask the group spokespersons clarifying questions. Allow the panel members a few minutes to organize their evaluations of the country groups. Suggest that they look for areas of consensus among themselves. Call on panel members to share their evaluations before the class.

3. Comparing Concerns — Ask students to compare the recommendations of the developing countries. For example, how do the development needs of Poland differ from those of Senegal? How do those differences translate into recommendations for U.S. aid and trade policy? Review the criticisms that each country offered regarding past U.S. foreign aid efforts. To what extent are the criticisms related to U.S. Cold War strategy? How do differences in values between the United States and developing countries contribute to friction about foreign aid?

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Name:

Study Guide — Part II
U.S. Policy Challenges Today

1. Summarize the main areas of controversy surrounding U.S. trade policy toward the developing world.

2. Summarize the main areas of controversy surrounding U.S. foreign aid policy.

3. Why has most U.S. aid to Poland and other Central European countries come in the form of advice?

4. How has the end of the Cold War reshaped U.S. foreign aid policy in sub-Saharan Africa?

5. Why is the Narmada Dam project seen as an important turning point in international development policy?

6. How did the U.S. policy goals of promoting democracy, controlling drug trafficking, and stopping terrorism come into conflict in Peru?

Perspectives from the Developing World — Recipient Countries

Instructions: Your group has been called upon to represent the views of one of the four countries (Poland, Senegal, India, or Peru) featured in Part II of the background reading. You will appear before a panel of American officials who are responsible for designing U.S. policy toward your country. Your job is to convince the panel to adopt your recommendations for promoting economic development in your country. Your presentation should be based on your responses to the questions below.

1. What are the main obstacles to development facing your country?

2. What problems can the United States help your country overcome?

3. What are your criticisms of past U.S. foreign aid efforts in your country?

4. What specific aid programs would be most helpful to your country?

5. What changes in U.S. trade policy would be most helpful to your country?

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Perspectives from the Developing World — U.S. Officials

Instructions: You have been called upon to join a panel of American officials that is responsible for designing U.S. policy toward developing countries. You will hear from representatives of the four countries (Poland, Senegal, India, and Peru) featured in Part II of the background reading. They will try to convince you to adopt their recommendations for promoting economic development in their countries.

After you have heard from the four developing countries, you will be asked to evaluate their recommendations for changes in U.S. aid and trade policy. You should base your evaluations on the following considerations.

1. Did the developing country accurately identify the main obstacles to its development?
2. Did the developing country effectively explain how the United States could help it overcome its problems?
3. Did the developing country offer thoughtful criticism of past U.S. foreign aid efforts?
4. Did the developing country convincingly make the case for changes in U.S. aid policy?
5. Did the developing country convincingly make the case for changes in U.S. trade policy?

While the four developing countries are organizing their presentations, you should review Part II of the background reading.

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Role Playing the Three Options: Organization and Preparation

Objectives:

Students will:

- Analyze the issues that frame the current debate on U.S. policy toward the developing world.
- Identify the core underlying values of the options.
- Integrate the arguments and beliefs of the options and the background reading into a persuasive, coherent presentation.
- Work cooperatively within groups to organize effective presentations.

Handouts:

- "Presenting Your Option" (page 12) for option groups.
- "Expressing Key Values" (page 13) for option groups.
- "Input from the Developing World" (page 14) for developing countries.
- "Committee on Foreign Relations of the U.S. Senate" (page 15) for committee members.

In the Classroom:

1. Planning for Group Work — In order to save time in the classroom, form student groups before beginning Day Three. During the class period of Day Three, students will be preparing for the Day Four simulation. Remind them to incorporate the background reading into the development of their presentations and questions.

2a. Option Groups — Form three groups of four students. Assign an option to each group. Distribute "Presenting Your Option" to the three option groups. Inform students that each option group will be called upon in Day Four to present the case for its assigned option to members of the Committee on Foreign Relations of the U.S. Senate. Explain that option groups should follow the instructions in "Presenting Your Option." Note that the option groups should begin by assigning each member a role.

2b. Developing Countries — Form a group of four students to represent the developing countries featured in the case studies of Part II of the background reading. Distribute "Input from the Developing World" to the group. Inform the developing country representatives that they will be called upon in Day Four to explain the relevance of U.S. assistance programs on their countries. Note that the group should follow the instructions in "Input from the Developing World."

2c. Committee Members — The remainder of the class will serve as members of the Committee on Foreign Relations of the U.S. Senate. Distribute "Committee on Foreign Relations of the U.S. Senate" to each committee member. While the option groups are preparing their presentations, committee members should develop cross-examination questions for Day Four. (See "Committee on Foreign Relations of the U.S. Senate.") Remind committee members that they are expected to turn in their questions at the end of the simulation.

Suggestions:

In smaller classes, other teachers or administrators may be invited to serve as members of the committee. In larger classes, additional roles — such as those of newspaper reporter or lobbyist — may be assigned to students.

Extra Challenge:

Ask the option groups to design a poster or a political cartoon illustrating the best case for their options.

Homework:

Students should complete preparations for the simulation.

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Presenting Your Option

Preparing Your Presentation

Your Assignment: Your group has been called upon to appear before the Committee on Foreign Relations of the U.S. Senate. Your assignment is to persuade the committee members that your option should be the basis for U.S. policy toward developing countries. You will be judged on how well you present your option.

Organizing Your Group: Each member of your group will take a specific role. Below is a brief explanation of the responsibilities for each role.

1. *Spokesperson:* Your job is to explain the option of your group to the Committee on Foreign Relations in a three-to-five minute presentation. In preparing your presentation, you will receive help from the other members of your group. You should include arguments from their areas of expertise. Keep in mind, though, that you are expected to take the lead in organizing your group. Read your option and review the background reading to build a strong case for your option. The "Expressing Key Values" worksheet will help you organize your thoughts.

2. *AID Analyst:* Your job is to advise the spokesperson of your group on why the recent experience of AID justifies the position of your option. Carefully read your option, and then review Part II of the background reading. Make sure that your area of expertise is reflected in the presentation of your group spokesperson. The "Expressing Key Values" worksheet will help you organize your thoughts.

3. *Adviser on the Developing World:* Your job is to advise the spokesperson of your group on why your option best addresses the foreign policy challenges facing the United States in the developing world. Carefully read your option, and then review Part II of the background reading. Your advise should be based largely on the experience of Central Europe, sub-Saharan Africa, India, and Latin America. Make sure that your area of expertise is reflected in the presentation of your group spokesperson. The "Expressing Key Values" worksheet will help you organize your thoughts.

4. *Historian:* Your job is to advise the spokesperson of your group on how the lessons of U.S. policy toward the developing world during the Cold War justify the position of your option. Carefully read your option, and then review Part I of the background reading. Make sure that your area of expertise is reflected in the presentation of your group spokesperson. The "Expressing Key Values" worksheet will help you organize your thoughts.

Making Your Case

After your preparations are completed, your spokesperson will deliver a three-to-five minute presentation to the Committee on Foreign Relations. The "Expressing Key Values" worksheet and other notes may be used, but the spokesperson should speak clearly and convincingly. During the presentations, you should try to identify the weak points of the other options. After all of the groups have presented their options, members of the Senate committee will ask you cross-examination questions. Any member of your group may respond during the cross-examination period.

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Expressing Key Values

The notion of values lies at the core of this unit. Each of the three options in this unit revolves around a distinct set of values. The opening two paragraphs of your option are devoted to making a convincing case for the values that are represented. The term "values," however, is not easy to define. Most often, we think of values in connection with our personal lives. Our attitudes toward our families, friends, and communities are a reflection of our personal values.

Values play a critical role in our civic life as well. In the United States, our country's political system and foreign policy have been shaped by a wide range of values. The high value many Americans place on freedom, democracy, and individual liberty rings loudly throughout U.S. history. For most of our country's existence, the impulse to spread American values beyond our borders was outweighed by the desire to remain independent of foreign entanglements. Since World War II, however, the United States has played a larger role in world affairs than any other nation. At times, American leaders have emphasized the values of human rights and cooperation. On other occasions, the values of stability and security have been stressed.

Some values fit together well. Others are in conflict. Americans are constantly being forced to choose among competing values in our ongoing debate about foreign policy. Your job is to identify and explain the most important values underlying your option. These values should be clearly expressed by every member of your group. This worksheet will help you organize your thoughts.

1. What are the two most important values underlying your option?

   a.

   b.

2. According to the values of your option, what should be the role of the United States in the world?

3. Why should the values of your option be the guiding force for U.S. policy toward the developing world?

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Name:

Input from the Developing World

Your group represents the four countries featured in the case studies in Part II of the background reading. You have been called upon to explain the impact of U.S. foreign aid programs on your countries to the Committee on Foreign Relations of the U.S. Senate in a five-minute presentation on Day Four. Your job is not to voice your opinion on the three options. Rather, you are expected to inform the committee members about prospects for development in the countries you represent. This worksheet will help you prepare your presentation.

1. What does the Committee on Foreign Relations need to know about the developing world in order to intelligently chart U.S. policy?

2. How does the developing world affect the interests of the United States?

3. What are the lessons from the experiences of your countries that should be considered in charting U.S. policy?

4. What is the present impact of U.S. policy on your countries?

Committee on Foreign Relations of the U.S. Senate
Hearing on U.S. Policy toward the Developing World

Your Role

As a member of the Committee on Foreign Relations of the U.S. Senate, you consider issues relating to our country's foreign policy. As you know, the end of the Cold War has forced U.S. leaders to rethink our country's policies toward the developing world. U.S. foreign aid programs and trade policy are in the midst of an important overhaul. These hearings will introduce you to three distinct approaches to U.S. policy toward the developing world.

Your Assignment

While the three option groups are organizing their presentations, you should prepare two questions regarding each of the options. Your teacher will collect these questions at the end of Day Four.

Your questions should be challenging and critical. For example, a good question for Option 1 might be:

> *By trying to spread American values through foreign aid, doesn't the United States run the risk of contributing to instability in the developing world?*

On Day Four, the three option groups will present their positions. After their presentations are completed, your teacher will call on you and your fellow committee members to ask questions. The "Evaluation Form" you receive is designed for you to record your impressions of the option groups. Part I should be filled out in class after the option groups make their presentations. Part II should be completed as homework. After this activity is concluded, you may be called upon to explain your evaluation of the option groups.

Role Playing the Three Options: Debate and Discussion

Objectives:

Students will:

- Articulate the leading values that frame the debate on U.S. policy toward the developing world.
- Explore, debate, and evaluate multiple perspectives on U.S. policy toward the developing world.
- Sharpen rhetorical skills through debate and discussion.
- Cooperate with classmates in staging a persuasive presentation.

Handouts:

- "Evaluation Form" (page 17) for the committee members.

In the Classroom:

1. Setting the Stage — Organize the room so that the three option groups face a row of desks reserved for the Committee on Foreign Relations. Distribute "Evaluation Form" to the committee members. Instruct members of the committee to fill out the first part of their "Evaluation Form" during the course of the period. The second part of the worksheet should be completed as homework.

2. Managing the Simulation — Explain that the simulation will begin with three-to-five minute presentations by the spokespersons for the option groups. Encourage the spokespersons to speak clearly and convincingly.

3. Guiding Discussion — Following the presentations, invite members of the Committee on Foreign Relations to ask cross-examination questions. Make sure that each committee member has an opportunity to ask at least one question. The questions should be evenly distributed among all three option groups. If time permits, encourage members of the option groups to challenge the positions of the other groups. During cross-examination, allow any option group member to respond. (As an alternative approach, permit cross-examination following the presentation of each option.)

Homework:

Students should read each of the three options, then moving beyond these options they should fill out "Focusing Your Thoughts" and complete "Your Option Four."

Evaluation Form

Committee on Foreign Relations of the U.S. Senate

Part I

What was the most persuasive argument presented in favor of this option?	What was the most persuasive argument presented against this option?
Option 1	*Option 1*
Option 2	*Option 2*
Option 3	*Option 3*

Part II

Which group presented its option most effectively? Explain your answer.

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Joining the Debate on U.S. Policy

Objectives:

Students will:

- Articulate coherent recommendations for U.S. policy toward the developing world based on personally held values and historical understanding.
- Analyze current legislation on U.S. policy toward the developing world.
- Identify the leading values and trade-offs in the current policy debate.

Handouts:

- "The Peace, Prosperity, and Democracy Act" (page 21).
- "The Foreign Operations, Export Financing, and Related Programs Appropriations Act" (page 22).

Required Reading:

Students should have read the three options, filled out "Focusing Your Thoughts," and completed "Your Option Four."

In the Classroom:

1. *Analyzing Beliefs* — Call on members of the Senate committee to share their evaluations of the option groups. Which arguments were most convincing? Which beliefs were most appealing? What were the main threats addressed by each of the options?

2. *Evaluating Legislation* — Distribute "The Peace, Prosperity, and Democracy Act" and "The Foreign Operations, Export Financing, and Related Programs Appropriations Act." Ask students to quickly read the handouts. Explain that the handouts present the contrasting legislative agendas of President Clinton and congressional Republicans on U.S. policy toward the developing world. Call on students to identify the most prominent values and controversial trade-offs featured in the legislation. What international image of the United States is reflected in the values of Clinton's proposal? How does this differ in the Republican bill? Which trade-offs are likely to generate the most debate? Why has sustainable development emerged as a focal point of controversy?

3. *Comparing Policy Recommendations* -- Ask students to compare the policy recommendations and values of their own options to the legislation in Congress. What policies would students recommend toward Central Europe, sub-Saharan Africa, India, and Latin America?

Extra Challenge:

As homework, instruct students to write a letter to a member of Congress or President Clinton on their ideas for U.S. policy toward the developing world. In the first part of the letter, students should express their views on current legislation, while in the second part of the letter students should present a coherent set of their own policy recommendations, focusing on Central Europe, sub-Saharan Africa, India, and Latin America.

Encourage students to explore the local dimension of the debate on U.S. policy toward the developing world. For example, students could be asked to contact local businesses, former Peace Corps volunteers, and charitable organizations that have worked on U.S. foreign aid projects. Business associations and labor unions have voiced their views on U.S. trade policy toward developing countries. Human rights, environmental, and women's groups, ethnic organizations, and friendship societies are also active in the policy arena regarding the developing world. In addition, immigrants, scholars, and students from developing countries may be able to offer special insights on the impact of U.S. foreign aid programs.

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Focusing Your Thoughts

Instructions: You have had an opportunity to consider three options for U.S. policy toward the developing world. Now it is your turn to look at each of the options from your own perspective. Try each one on for size. Think about how the options address your concerns and hopes. You will find that each has its own risks and trade-offs, advantages and disadvantages. After you complete this worksheet, you will be asked to develop your own option on this issue.

Ranking the Options

Which of the options below do you prefer? Keep in mind that the beliefs you support most strongly should guide your choice. Rank the options from "1" to "3," with "1" being your first choice.

___ **Option 1: Share the American Dream**

___ **Option 2: Join Hands for a Better World**

___ **Option 3: Put America First**

Beliefs

Considering the statements below will help you answer the first three questions of "Your Option Four." Rate each of them according to your personal beliefs:

1 = Strongly Support 3 = Oppose 5 = Undecided
2 = Support 4 = Strongly Oppose

___ Meddling in the development of other societies is counter-productive and dangerous.

___ Changing outmoded traditions and backward customs is in the best interests of people in developing countries.

___ The problems of developing countries are America's problems too, and can be solved only through global cooperation.

___ Economic growth is a worthwhile goal only if it fits into a long-term plan to protect the environment and the larger society.

___ Competition is, and will continue to be, the driving force of international relations.

___ The greatest threats facing the United States are all at home: budget deficits, mediocre schools, crime, and an inadequate health care system.

___ Aid programs rob people of their initiative and chip away at their dignity.

___ Democracy and the free-market economic system should serve as the foundation for all societies.

___ As citizens of the richest country in the world, Americans have an obligation to improve the lives of the world's poor.

Creating Your Own Option

Your next assignment is to create an option that reflects your own beliefs and opinions. You may borrow heavily from one option, or you may combine ideas from two options. Or you may take a new approach altogether. There are, of course, no perfect solutions. And there is no right or wrong answer. Rather, you should strive to craft an option that is logical and persuasive. Be careful of contradictions. For example, we should not channel most of our foreign aid budget into UN programs if we want to use foreign aid as a tool to promote democracy and free-market economic principles.

Name:

Your Option Four

Instructions: In this exercise, you will offer your own recommendations for U.S. policy toward the developing world. Your responses to "Focusing Your Thoughts" should help you identify the guiding values of your proposal.

1. What values should guide U.S. policy toward the developing world?

2. According to your option, what are the most important obstacles to development in the developing world?

3. What aid and trade policies should the United States pursue to put your values into action?

4. What are the two strongest arguments opposing your option?

   a.

   b.

5. What are the two strongest arguments supporting your option?

   a.

   b.

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The Peace, Prosperity, and Democracy Act

(Below is a summary of the Peace, Prosperity, and Democracy Act that was submitted to the U.S. Senate in 1994. The legislation was developed by President Bill Clinton to offer a new set of guidelines for U.S. foreign aid policy.)

Statement of Policy

1. The people of the United States are embarking on a new era of domestic renewal that will draw strength through expanding cooperation abroad to advance United States economic and political interests and to meet the challenges of a new century.

2. The interests of the United States are best served by a community of nations that respects individual human rights and democracy, resolves conflicts peacefully, engages in free and open trade, uses the world's limited natural resources in a sustainable manner, and in which fundamental human needs are met.

3. Sustainable development is in the long-term interest of the United States because without such development, economic, political and security problems will multiply and generate future costs and burdens; and because overpopulation and environmental destruction threaten to undercut the best efforts of nations to build peace and prosperity.

4. Strengthening democracy and human rights advances United States interests: democracies are conducive to free markets; they are more reliable partners, more receptive to cooperation in environmental protection and other global problems, and less prone to wage war on each other or sponsor terrorism. Strengthening democracy is especially critical to achieving what must remain an overriding goal of the United States: helping to create a world in which respect for human rights and fundamental freedoms can flourish.

5. In this new era of more diffuse challenges to the security of the United States, the United States recognizes the need to maintain and restore peace through arms control, nonproliferation, regional peace processes, and collective defense efforts, and for continued vigilance against a wide-range of increasingly transnational security challenges, including international narcotics trafficking, terrorism and other international crime that affect the personal safety of the people of the United States.

6. United States Government support for efforts to alleviate suffering and help people help themselves reflects the ideals of the people of the United States who have a long and unequaled record of responding quickly and substantially to humanitarian crises caused by natural and manmade disasters.

7. An open and growing world trading system will benefit United States workers through expanding global markets and create a more prosperous and secure world. Promotion of broad-based economic growth in developing countries is an important means for expanding the fastest growing markets for United States exports.

8. Diplomacy effectively advances United States security and prosperity, meets long-term global challenges, and builds cooperative arrangements with allies and multilateral organizations.

9. Foreign assistance programs are in the national interest of the United States, and to meet the diverse challenges of a new century, the United States must command a full range of creative foreign policy tools to shape a comprehensive, long-term approach to promoting the United States national interests reflected in the objectives of this Act: Promoting Sustainable Development, Building Democracy, Promoting Peace, Providing Humanitarian Assistance, Promoting Growth Through Trade and Investment, and Advancing Diplomacy.

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The Foreign Operations, Export Financing, and Related Programs Appropriations Act

(Below is a summary of the main provisions of the Foreign Operations, Export Financing, and Related Programs Appropriations Act for 1996 that was passed by the House of Representatives on July 11, 1995. The legislation provides funding and sets priorities for U.S. foreign aid spending in 1996.)

Overall Spending: For the 1996 fiscal year that begins October 1, 1995, international assistance and export support is set at $12 billion, down $2.8 billion from President Clinton's request and down $1.6 billion from the funding level of 1995.

Economic Assistance: The bill cuts in half Clinton's request for general development assistance for agriculture, rural development, population, basic education, the environment, energy, and other programs related to long-term development. The president asked for $1.3 billion. The bill appropriates $669 million.

Child Survival: The bill sets up a $484 million fund to ensure that cuts in other programs will not harm children in countries receiving U.S. aid.

Abortion: The bill prohibits giving U.S. funds to private or multinational groups that support abortions, even where they are legal.

World Bank/IMF: The bill reduces U.S. contributions to the World Bank and the IMF by 40 percent.

Middle East: Military and economic aid remains at the 1995 level of $3 billion to Israel and $2.1 billion to Egypt. The aid is meant to promote the progress of the Arab-Israeli peace process.

Former Sovjet Union: The bill trims $193 million off Clinton's request for aid to former Soviet states, putting aid at $595 million, which is $247 million below the 1995 level. The bill also limits Russia to a $195 million share of the funds.

Africa: The bill cuts the Development Fund for Africa from the 1995 level of $802 million to $528 million.

Turkey: The bill cuts aid to Turkey by $21 million to punish the Turkish government for abusing the human rights of the country's Kurdish minority. Military assistance to Turkey would not be affected.

Ethiopia: Aid is prohibited until the Ethiopian government shows progress in human rights.

Haiti: The bill warns that aid to Haiti's new government would be cut off if Haitian elections do not meet U.S. standards of fairness.

Burma: Money to help Burma's efforts at controlling drug trafficking would be prohibited. (The Clinton administration has been attempting to cooperate with Burma on drug trafficking while continuing to criticize the government for human rights abuses.)

Disaster Assistance: The bill provides $200 million for disaster assistance, a 17 percent increase over 1995. The increase is in recognition of the swelling costs of disasters in Bosnia, Somalia, Rwanda, and Sudan.

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Alternative Three-Day Lesson Plan

Day 1: See Day Two of the Suggested Five-Day Lesson Plan. (Students should have read Part II of the background reading and completed "Study Guide — Part II" before beginning the unit.)

Day 2: Assign each student one of the three options, and allow a few minutes for students to familiarize themselves with the mindsets of the options. Call on students to evaluate the benefits and trade-offs of their assigned options. How do the options differ in their assumptions about the problems and challenges presented by the developing world? What is the international image of the United States projected by each of the options? What are the main differences in the policy recommendations of the options? Moving beyond the options, ask students to imagine that they have been called upon to advise the president on U.S. policy toward the developing world. What concerns would be at the top of their agenda? Which values should guide the direction of U.S. policy?
Homework: Students should complete "Focusing Your Thoughts" and "Your Option Four."

Day 3: See Day Five of the Suggested Five-Day Lesson Plan.

The contents of this unit are being distributed under a grant from the U.S. Department of Education. However, those contents do not necessarily represent the policy of the Department of Education, and you should not assume endorsement by the Federal Government. If an education service provider uses funds under a program subject to section 439 of the General Education Provisions Act (GEPA) (20 U.S.C. 1232h) to adopt this project, the education service provider must comply with part 98 of title 34 of the Code of Federal Regulations (Student Rights in Research, Experimental Programs and Testing) which contains the regulations implementing that section of GEPA.

Making Choices Work in Your Classroom

Like the art of cooking, cooperative group learning is a skill that is rarely perfected on the first attempt, either by teachers or students. Yet with careful preparation, guidance, and practice significant gains can be made quickly. No single recipe guarantees success with cooperative learning or the Choices approach in every classroom. That would be impossible, since each classroom differs in its organization and size, and its unique collection of personalities and needs. However, this section of the Teacher's Resource Book offers a variety of ingredients for teachers to use as they adapt Choices curricula to their classrooms. The suggested ingredients that follow have been drawn from educational research on student-centered instruction and, more important, from the experiences of teachers who have used Choices curricula successfully in their classrooms over the past six years. Educators who have questions about using Choices curricula in their classrooms are encouraged to contact the Choices Education Project in writing, or by calling (401)863-3155. The Choices staff includes experienced classroom teachers who will be pleased to speak with you.

Designing Cooperative Learning Groups

Group Size: The key to successful cooperative group work is having a group assignment that is complex enough to require the participation of all group members. Planning the size and composition of working groups in advance is crucial to the successful use of Choices curricula. Research indicates that the ideal size for a cooperative learning group is four or five students. This is certainly the ideal size for group assignments in Choices units. When using Choices units in larger classes, the size of option (or, in the case of this unit, Future) groups may be expanded to six or seven students. However, it is important to keep in mind that whenever the number of students in a group is increased, the number of roles and expected outcomes must also be expanded.

Group Composition: A strength of cooperative learning is that it creates opportunities for students to work together in new combinations on challenging tasks. Cooperative learning not only requires the academic skills of reading, writing, and critical thinking, but the interpersonal skills of communication, negotiation, and problem-solving. In most cases, this style of instruction and learning is most effective when students are assigned to groups by the teacher rather than being allowed to work with their friends. While random group selection can be effective, in most classes successful group composition requires that the teacher consider the personalities, strengths, and needs of the students.

Groups comprised of students with diverse strengths, talents, and needs are ideal. For example, artistic students might be assigned to different groups to share their talents and perspectives, while less verbal students could be placed in groups with more outgoing students to help draw them into the lesson. Whenever possible, teachers should try to prevent one student from dominating a group. Explaining the instructions, roles, and ground rules for cooperative learning (see below) helps prevent this. Teachers may choose to group aggressive students with each other, leaving room in other groups for less assertive students to emerge as leaders. Finally, even though the negotiation of roles among the students in a group can be a valuable part of the cooperative learning experience, teachers might choose to assign certain roles, such as group spokesperson, in order to encourage leadership from more reticent students and to keep more aggressive students from dominating.

Students may initially complain about being assigned to groups that do not include their closest friends. We have found that, at the conclusion of the assignment, they will usually express satisfaction with their assigned partners, recognize that they got more accomplished, and sometimes even acknowledge the start of new friendships. The additional time involved in planning group size and composition will pay off when students are actively engaged, debating, and thinking critically.

Preparing Students for Cooperative Learning

Provide Clear Written Instructions: As with any assignment, students benefit from instructions and guidelines that clearly outline expectations and how they will be accomplished. These should be given to students in writing and reviewed with the class. Afterwards, as questions arise within groups, students should refer to the written instructions and attempt to answer each other's questions before asking for the teacher's assistance.

Establish Ground Rules: Especially when cooperative learning is a new experience, students benefit from the establishment of ground rules that are explained before groups are formed. Ground rules must be kept simple, and should be designed to keep students involved and on task. Posting these rules in a prominent place in the classroom can be very effective. An example of simple but effective ground rules for the cooperative group assignments could be:

Everybody has a role (or a job)
Everybody participates
Nobody dominates
Nobody interrupts

These rules can be enforced by appointing one student to serve as the group manager. The teacher can make it clear that one of the group manager's responsibilities is to enforce the ground rules as the group explores its assigned option and prepares its presentation. The group manager might also be required to make sure that members of the group stay on task and attempt to solve problems before asking for the teacher's assistance. Ground rules that are clear and used consistently can, over time, become an integral component of the classroom, facilitating learning and keeping students on task.

Managing the Choices Simulation

Recognize Time Limitations: At the heart of the Choices approach is the role-play simulation in which students advocate different options, question each other, and debate. Just as thoughtful preparation is necessary to set the stage for cooperative group learning, careful planning for the presentations and debate can increase the effectiveness of the simulation. Time is the essential ingredient to keep in mind. A minimum of 45 to 50 minutes is necessary for the presentations and debate. Hence, if only one class period is available, student groups must be ready as soon as class begins. Teachers who have been able to schedule a double period or extend the length of class to one hour report that the extra time is beneficial. When necessary, the role-play simulation can be run over two days, but this disrupts the momentum of the debate. The best strategy for managing the role-play is to establish and enforce strict time limits, such as five minutes for each option presentation, ten minutes for questions and challenges, and the final five minutes of class for wrapping up the debate. It is crucial to make students aware of strict time limits as they prepare their presentations.

Highlight the Importance of Values: During the debate and debriefing, it is important to highlight the role of values in the options. Students should be instructed to identify the core values and priorities underlying the different options.

Moving Beyond the Options

As a culminating activity of a Choices unit, students are expected to articulate their own views of the issue under consideration. An effective way to move beyond the options debate to creating individual options is to have students consider which values in the options framework they hold most dear. Typically, students will hold several of these values simultaneously and will need to prioritize them to reach a considered judgment about the issue at hand. These values should be reflected in their own options and should shape the goals and policies they advocate.

Adjusting for Large and Small Classes

Choices units are designed for an average class of twenty-five students. In larger classes, additional roles, such as those of newspaper reporter or member of a special interest group, can be assigned to increase student participation in the simulation. With larger option groups, additional tasks might be to create a poster, political cartoon, or public service announcement that represents the viewpoint of an option. In smaller classes, the teacher can serve as the moderator of the debate, and administrators, parents, or faculty can be invited to play the roles of congressional leaders. Another alternative is to combine two small classes.

Applying Choices to Ability-Grouped Classes

Choices curricula are developed with the majority of high school students in mind. Choices units are not designed solely for students in honors or advanced placement programs. Nor are they designed specifically for students in remedial classes. However, the units are designed to be flexible enough for high school teachers to adapt for *any* classroom, and they have been used successfully in all kinds of classes. The Choices staff places confidence in the ability of teachers to decide which units are best suited for the courses and students they teach. The following suggestions may assist teachers of higher- and lower-ability classes in adapting Choices curricula to meet the needs of their students.

Lower-Ability Classes: It would be a mistake to believe that the Choices approach is too difficult for students in lower-ability classes. Teachers report that, with certain adaptations, Choices units can motivate higher levels of student participation, thinking, and confidence in lower-ability classes. Feedback from classroom teachers indicates that the following strategies lead to success with Choices in these classes:

- Maintain high expectations for student learning and thinking.
- Classes of all abilities do a better job with Choices the second or third time the approach is used. Skills in collaboration, communication, and critical thinking improve with practice.
- Some units are easier than others because the necessary background is particularly accessible. Use one of these first to give the students some experience with the approach.
- To make background readings more manageable, some teachers have students read aloud in class, stopping to discuss or clarify key points. Other teachers substitute shorter readings from the textbook or another source as background reading.
- Key concepts from the background can be explained in a mini-lecture format.
- Students can review and keep track of the important terms in a unit by creating their own glossary for reference throughout the unit.
- An extra day for review of the background, for group preparation, or for the development of individual options can be very worthwhile.

Higher-Ability Classes: Choices units have much to offer students in higher-ability and advanced placement classes. Students are challenged to understand the internal logic of different arguments and to extrapolate from these while playing the role of advocate. Two-week Choices units are especially rich in historical background, and they highlight the complex relationships among nations through many eras. Choices units on historical topics typically include a wealth of primary source documents for students to read and analyze. These documents can help to prepare students in advanced placement classes for the "Document Based Questions" included on advanced placement examinations. Extra challenge assignments are included in many lesson plans, and every Choices unit includes suggestions for additional reading and research.

Grading Group Assignments: Research suggests that it is counterproductive to give students individual grades on cooperative group assignments. A significant part of the assignment given to the group is to cooperate in achieving a common goal, as opposed to looking out for individual interests. Telling students in advance that the group will receive one grade often motivates group members to hold each other accountable. This can foster group cohesion and lead to better group results. It may be useful to note that in addition to the cooperative group assignments, students complete individual assignments as well in every Choices unit.

Requiring Self-Evaluation: Having students complete self-evaluations is an extremely effective way to make them think about their own learning. Self-evaluations can take many forms and are useful in a variety of circumstances. They are particularly helpful in getting students to think constructively about group collaboration. In developing a self-evaluation tool for students, teachers need to pose clear and direct questions to students. A sample Group Project Self-Evaluation is included on page 26. Each student should complete his/her own evaluation as part of the unit. Two key benefits of student self-evaluation are that it involves students in the assessment process, and that it provides teachers with valuable insights into the contributions of individual students and the dynamics of different groups. These insights can help teachers to organize groups for future cooperative assignments.

Evaluating Student Options: The most important outcomes of a Choices unit are the original options developed and articulated by each student. These will differ significantly from one another, as students identify different values and priorities that shape their viewpoints. These options cannot be graded as right or wrong, but should be evaluated on clarity of expression, logic, and thoroughness. Did the student provide reasons for his/her viewpoint along with supporting evidence? Were the values clear and consistent throughout the option? Did the student identify the risks involved? Did the student present his/her option in a convincing manner?

Testing: In a formal evaluation of the Choices approach, it was demonstrated that students using Choices learned the factual information presented as well as or better than students who were taught in a more traditional lecture-discussion format. However, the larger benefits of the Choices approach were evident when students using Choices demonstrated significantly higher ability to think critically, analyze multiple perspectives, and articulate original viewpoints, compared to students who did not use this approach. Teachers should hold students accountable for learning historical information, concepts, and current events presented in Choices units. However, a simple multiple-choice examination will not allow students to demonstrate the critical thinking and communication skills developed through the Choices unit. If teachers choose to test students, they may wish to explore new models of test design that require students to do more than recognize correct answers. Tests should not replace the development of student options.

For Further Reading: Cohen, Elizabeth G. *Designing Groupwork: Strategies for the Heterogeneous Classroom* (New York: Teachers College Press, 1986).

Group Project Self-Evaluation

1. What did you contribute to this project?

2. List the names of your partners and briefly comment on each person's contributions.

3. What things went well within your group?

4. What problems did you encounter? How did you attempt to resolve these problems?

5. If you had this assignment to do over again, with the same partners, what would you do differently?

6. Overall, what grade do you think your group deserves on this assignment? Explain your response.

Publications List

The Choices for the 21st Century Education Project develops curricula for high schools and colleges on current foreign policy issues and offers workshops, institutes, and in-service programs for high school teachers. Course materials place special emphasis on the importance of educating students in their participatory role as citizens. All units incorporate the work of academics and policymakers from a range of perspectives and are classroom tested prior to publication. A new unit is published every three months during the academic year, and all units are updated regularly. For current information on new titles and revisions, call the Choices Education Project at (401) 863-3155.

*Reproducible Units**

- Ending the War against Japan: Science, Morality, and the Atomic Bomb (July 1995, 102 pages)
- Help, Handout, or Hindrance: U.S. Support for the Developing World (June 1995, 66 pages)
- China on the World Stage: Weighing the U.S. Response (March 1995, 77 pages)
- Crisis, Conscience, and Choices: Weimar Germany and the Rise of Hitler (November 1994, 84 pages)
- Russia's Uncertain Transition: Challenges for U.S. Policy (September 1994, 71 pages)
- Keeping the Peace in an Age of Conflict: Debating the U.S. Role (Revised January 1995, 69 pages)
- Charting Russia's Future in the Post-Soviet Era (Revised August 1994, 59 pages)
- After the Cold War: The U.S. Role in Europe's Transition (Revised September 1994, 120 pages)
- U.S. Immigration Policy in an Unsettled World (Revised January 1995, 65 pages)
- Global Environmental Problems: Implications for U.S. Policy (Revised February 1995, 51 pages)
- The Role of the United States in a Changing World (Revised October 1994, 44 pages)
- U.S. Trade Policy: Competing in a Global Economy (Revised January 1995, 58 pages)
- The Limits of Power: The United States in Vietnam (November 1994, second edition, 119 pages)
- Coming to Terms with Power: U.S. Choices after World War II (August 1994, second edition, 68 pages)

A teacher's resource book is included free with each unit ordered at regular price.

High School Textbook

- In the Shadow of the Cold War: The Caribbean and Central America in U.S. Foreign Policy (Revised 1993, 61 pages, teacher's resource book also included)

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